

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MEETING

STATE OF CALIFORNIA

CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

REGULAR MONTHLY BUSINESS MEETING

COPY

Board Room

8800 Cal Center Drive

Sacramento, California

Wednesday, November 16, 1994

10:00 a.m.

Janet H. Nicol
Certified Shorthand Reporter
License Number 9764

APPEARANCESBOARD MEMBERS PRESENT:

Jesse Huff, Chairman
Wesley Chesbro, Vice Chairman
Sam Egigian
Edward G. Heidig
Kathy Neal
Paul Relis

STAFF PRESENT:

Garth Adams
Sharon Anderson
Patti Bertram
Elliot Block
Ralph Chandler, Executive Director
Mindy Fox
Martha Gildart
Dan Gorfain
Robert Holmes
Marlene Kelly, Board Secretary
Joyce Mason
Colleen Murphy
Douglas Okumura
Dorothy Rice, Chief Deputy Director
Charlotte Sabeh
Kathryn-Tobias
Karen Trgovcich

PUBLIC SPEAKERS:

Peter Asmus, Local Government Commission
Denise Delmatier, Gualco Group
Evan Edgar, CRRC
Jeffrey Hahn, Ogden Martin Systems
Bob Judd, Biomass Energy Alliance
Dennis Schuler, Ogden Martin Systems

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

INDEX

iii
PAGE

Proceedings	1
Roll Call	1
Agenda Item No. 1, Report from Board Committees	3
Agenda Item No. 2, Report from Executive Director	7
Agenda Item No. 3, Consent Agenda	14
Agenda Item No. 8, Stanislaus County	16
Agenda Item No. 10, Regulatory Tiers	27
Agenda Item No. 11, Permit Reform Act	54
Agenda Item No. 12, Waste Tire Hauler	59
Agenda Item No. 15, CALMAX	64
Agenda Item No. 21, PUC	81
Agenda Item No. 37, Legislature Report	117
Agenda Item No. 36, Expenditure Projections	118
Agenda Item No. 38, Used Oil Grants	123
Agenda Item No. 40, Tire Grant Fund	125
Reporter's Certificate	137

P R O C E E D I N G S

BOARD CHAIRMAN HUFF: Good morning. This is the monthly meeting of the California Integrated Waste Management Board.

Let's have a roll call to establish a quorum, please.

BOARD SECRETARY KELLY: Board Member Chesbro.
Board Member Egigian.

BOARD MEMBER EGIGIAN: Here.

BOARD SECRETARY KELLY: Board Member Heidig.

BOARD MEMBER HEIDIG: Here.

BOARD SECRETARY KELLY: Board Member Neal.

Board Member Relis.

BOARD MEMBER RELIS: Here.

BOARD SECRETARY KELLY: Chairman Huff.

BOARD CHAIRMAN HUFF: Here.

Quorum is present.

We'll go a little slow until the other two Board members arrive.

But we can have ex parte announcements.

BOARD MEMBER HEIDIG: Mr. Chairman.

BOARD CHAIRMAN HUFF: Yes, Mr. Heidig.

BOARD MEMBER HEIDIG: I met with Richard Perry October 17th relative to tiered permitting.

BOARD CHAIRMAN HUFF: Very good.

1 Mr. Relis.

2 BOARD MEMBER RELIS: I'm all caught up.

3 BOARD CHAIRMAN HUFF: You're all caught up.

4 I met yesterday with the evil twin and mad dog
5 yesterday, Evan Edgar and Richard Perry.

6 BOARD MEMBER HEIDIG: Good. Because I don't think
7 their cries are in the record.

8 BOARD CHAIRMAN HUFF: They are now. And it was on
9 the subject of compost regulations.

10 Mr. Chesbro.

11 BOARD VICE CHAIRMAN CHESBRO: Yes. Good morning.

12 BOARD CHAIRMAN HUFF: That qualifies as here and
13 so Mr. Chesbro is here on the record.

14 Do you have any ex parte announcements?

15 BOARD VICE CHAIRMAN CHESBRO: No; I don't believe
16 so

17 I can't believe you started on time.

18 BOARD CHAIRMAN HUFF: I didn't start on time.
19 It's already six after.

20 There are several --

21 BOARD VICE CHAIRMAN CHESBRO: Congratulations.

22 BOARD CHAIRMAN HUFF: Thank you.

23 There are several items that have been pulled from
24 today's agenda. They are Items 9, 13, 17, 33, 34, 35.

25 So if you're here for any of those items you can

1 leave now.

2 We'll go ahead with reports of the Board's
3 committees.

4 Mr. Heidig, why don't you start.

5 BOARD MEMBER HEIDIG: Mr. Chairman, there was no
6 Administration Committee meeting in November.

7 The next scheduled meeting will be December 5th.

8 Thank you.

9 BOARD CHAIRMAN HUFF: Mr. Relis.

10 BOARD MEMBER RELIS: Mr. Chair, our items are on
11 consent except for one of the items, but they're all covered
12 in today's agenda.

13 BOARD CHAIRMAN HUFF: Mr. Egigian.

14 BOARD MEMBER EGIGIAN: Mr. Chairman, Policy
15 Committee had a few items.

16 There are two items on today's agenda that were
17 considered at the Policy Committee meeting of November the
18 8th.

19 Item 21 will be an oral report on the status of
20 our actions concerning the proposed Public Utilities
21 Commission deregulation of electric utilities.

22 Our committee previously voted to send a letter to
23 the PUC detailing the anticipated negative effect of their
24 proposed action on the programs administered by the Board.

25 At last month's Board meeting we voted to delay

1 action on the letter and prepare a fact sheet.

2 Because of the importance of this issue I believe
3 that we should do everything possible to point out to the
4 Governor's office and to other state agencies that our
5 programs will be damaged unless some changes are made to
6 what the PUC is considering.

7 We should also let them know that many good people
8 in the waste industry who have invested considerable sums in
9 an effort to make our diversion program succeed are being
10 hurt financially by current and proposed PUC policies.

11 These policies should be changed and the Board
12 should take a lead role to see to it that this issue does
13 not get placed on the back burner.

14 I intend to keep the item before the Policy
15 Committee and the Board to focus continuing attention on
16 possible solutions.

17 On November the 8th our committee also considered
18 the proposed method for allocating tire grant fund for the
19 coming year. This is on Item 40 of today's agenda.

20 That completes my report, sir.

21 BOARD CHAIRMAN HUFF: Let the record show that
22 Ms. Neal has arrived and your timing is impeccable. It's
23 time for your committee report.

24 BOARD MEMBER NEAL: I have nothing to report.

25 BOARD CHAIRMAN HUFF: Good, I guess.

1 Mr. Chesbro.

2 BOARD VICE CHAIRMAN CHESBRO: Yes.

3 All of our committee action items are elsewhere on
4 the Board's agenda.

5 Couple of updates. The disposal reporting
6 regulations were put into their final form by staff and
7 delivered to OAL in a timely fashion and regs are on target
8 for January implementation.

9 BOARD CHAIRMAN HUFF: That's good.

10 BOARD VICE CHAIRMAN CHESBRO: Yes; it is.

11 And I'm very pleased with staff's work once again.

12 The ADC working group meeting is scheduled for
13 November 20th. The letter and invites are going out.
14 Advisors have reviewed and approved the list of invitees,
15 slightly expanded from the previous working group. There
16 were several additions at the request of other Board
17 members.

18 BOARD CHAIRMAN HUFF: I'm very glad to hear that.

19 Thank you, Mr. Chesbro.

20 BOARD VICE CHAIRMAN CHESBRO: I told you we would
21 make every effort and we did.

22 BOARD CHAIRMAN HUFF: I appreciate that.

23 The Permit Committee had a full agenda this month
24 and much of it's in the Board agenda. I don't want to dwell
25 on it.

1 But I did want to heighten the awareness with
2 regard to one of the most significant items coming to the
3 Board, and that is the creation of regulatory tiers.

4 I think it's a very dramatic step forward for this
5 Board and for government in general.

6 As you are aware this is an effort that will
7 introduce considerably more flexibility to the permitting
8 process for solid waste facilities in California.

9 It's a product of many months of hard work on
10 behalf of staff and the committee.

11 It's evidence of our responsiveness to the
12 regulated community and to the LEAs.

13 And it represents a real milestone for this Board.

14 Today we will also consider the emergency
15 regulations for the tire hauler registration program. This
16 too is an important step for the Board which has worked
17 closely with the tire industry to fashion a program that can
18 help address the problem of illegal tire disposal.

19 At our meeting the Permitting Committee also heard
20 more testimony on the proposed compost regulations.

21 Staff, Board members and the regulated community
22 are continuing to work on this issue.

23 And it's my intention to bring the compost
24 regulations to the full Board in December for some
25 resolution, potentially, of some of the issues that we're

1 facing.

2 We do have issues that are of high consequence.

3 This Board acted on these regulations in the
4 Claremont meeting and I think it's appropriate to bring them
5 back to this Board for further direction in December.

6 I do not anticipate that we will be adopting the
7 final regulatory package in December. I think that will
8 probably occur in January. But I think that a December
9 action will set the stage for final adoption.

10 Finally staff reported to us on their ongoing
11 implementation of the LEA certification program including an
12 aggressive program to monitor corrective action plans for
13 LEAs in five jurisdictions, Mendocino, Sacramento, San
14 Francisco, San Bernardino, and Imperial.

15 With that report we'll go to the report of the
16 executive director, Mr. Chandler.

17 EXECUTIVE DIRECTOR CHANDLER: Thank you,
18 Mr. Chairman and Board members.

19 I have four items I'd like to review for you this
20 morning.

21 The first is to give you an update on the status
22 of the development of our memorandum of agreements with the
23 Department of Conservation.

24 As you know, the Board directed my office to enter
25 into an MOU covering specific areas for the purpose of

1 coordinating and achieving greater efficiency of resources
2 between this Board and the Department of Conservation.

3 The MOU focused on programs in the areas of waste
4 prevention, recycling, market development, and education
5 programs.

6 The MOU also called for specific agreements, task
7 orders, or what we refer to as MOAs, to be entered into by
8 the two agencies which would cover the specific programmatic
9 areas outlined in the MOU.

10 As you know I signed the MOU which was agreed to
11 by this Board and to date the MOUC was not yet been signed
12 by the director of the Department of Conservation.

13 However, the meantime staff have not slowed down
14 on the development of the specific program, MOAs, or task
15 orders.

16 The first four MOAs to be covered will be the
17 public agency buy-recycled program. Data collection and
18 distribution is the second. Public education and curriculum
19 development is the third. And hotline coordination is the
20 fourth.

21 I've asked staff that prior to Thanksgiving that
22 all four of these MOAs be completed in draft form,
23 circulated to the Department of Conservation for review and
24 comment and brought forward as directed to the
25 Administration Committee on its next month's meeting on

1 December 5th.

2 I'd like to speak as well to an upcoming media
3 press event that we have in the area of our 2136 site
4 cleanup program and that is a very important program that
5 we're going to be featuring next week in Tulare County.

6 On November 21st the County is holding a media
7 event and press conference to kick up the cleanup of the
8 Hayward illegal dump near Corcoran.

9 This will be in Tulare County with Doug Okumura
10 and Pat Macht representing the Board.

11 As you may recall, the Board gave Tulare County
12 \$500,000 grant to clean up over 15,000 tons of waste from
13 the site including rubbish, furniture, construction and
14 demolition debris and other waste.

15 The third area I wanted to feature a few issues
16 has to do with the used oil program.

17 As you know, the Board's used oil program has
18 experienced some tremendous growth during the past several
19 quarters.

20 The newness of this program and its rapid growth
21 have brought some issues to light which have needed to be
22 dealt with.

23 A number of these issues were addressed in the
24 cleanup legislation this year..

25 Others have come to light during the Department of

1 Finance's audit, which is to be completed in mid-December.

2 Some of the issues that we're continuing to work
3 on include the following.

4 Some certified centers are not following the
5 statutory requirements for certification. Through routine
6 staff phone calls and site visits as well as through the
7 Department of Finance's report it appears that a number of
8 centers may not be complying with all of the certification
9 requirements.

10 Program staff are working now to assist center
11 operators in learning the rules of the new program and we're
12 also working out procedures and policies to implement in
13 case of continued noncompliance, such as potential denial of
14 claims and decertification.

15 In addition, another issue has arisen as a result
16 of the Department of Toxic Substance Control's involvement
17 with the hazardous manifest system.

18 The Department issues hazardous waste manifests to
19 haulers and they had inadvertently released over 300,000
20 duplicate manifest numbers.

21 We utilize these manifest numbers to substantiate
22 the incentive claims and therefore are obviously involved
23 and affected by this issue.

24 DTSC is working with us to resolve the problem and
25 they're keeping us apprised of their progress.

1 As I mentioned earlier, legislation which became
2 effective January 1st, this coming January 1st, will extend
3 the allowable filing period for incentive claims from the
4 current 30 days to 45 days.

5 The legislation also gives my office more
6 discretion than existed under current law for paying claims
7 which are filed past the 45-day limit where there is
8 extenuating circumstances.

9 We'll be implementing these new changes promptly
10 on January 1st and are currently pursuing advertising the
11 participants of the program of all of the statutory changes.

12 As this is a significant Board program and it
13 continues to grow I'll be directing staff to bring issues
14 relating to the oil program before the Board and its
15 committees both for your information as well as for some
16 needed policy direction.

17 The last area I wish to speak on is California
18 Environmental Technology Center, known as CETC.

19 As I've discussed with some of you and your staffs
20 over the past couple weeks the CETC was established in May
21 by Governor Wilson as part of California Environmental
22 Technology Partnership.

23 It's intended to serve as a statewide catalyst to
24 facilitate environmental technology, research and
25 demonstration as well as commercialization of emerging

1 technologies.

2 It will encompass the National Laboratories, state
3 universities, state and federal agencies private research
4 institutions as well as industry.

5 It will be operated out of the UC San Diego
6 Scripps Institute with computer links to all of the other
7 campuses.

8 Cal EPA has requested that we look at funding some
9 of the work which can be accomplished through the CETC.

10 I'm working to develop an item for your
11 consideration in this regard for next month's meeting.

12 At this point we will looking at potentially using
13 tire funds for research projects relating to the tire
14 program needs.

15 In future years there may be suitable research
16 needs which could be funded with oil dollars as well.

17 In either case I will bring any funding proposals
18 before you for your consideration at future meetings.

19 BOARD VICE CHAIRMAN CHESBRO: May I ask a question
20 about that?

21 EXECUTIVE DIRECTOR CHANDLER: Sure.

22 BOARD VICE CHAIRMAN CHESBRO: Unfortunately in the
23 past various administration initiatives for environmental
24 technology haven't included recycling, including the big
25 report, task force that they had and various other

1 activities.

2 Are we assured that if contributions happen from
3 the Integrated Waste Management Fund that they would be
4 targeted on actually recycling technology as opposed to some
5 other areas of environmental technologies development?

6 EXECUTIVE DIRECTOR CHANDLER: I think one of the
7 advantages of the way that it's being looked at this year
8 from the standpoint that we are not providing the money to
9 simply be pooled by Cal EPA and then, if you will, put into
10 one large pot and then provided to the university. What
11 they are asking for this year is that we enter into
12 individual interagency agreements with the university.

13 As you know, if we use tire dollars or oil
14 dollars, projects resulting from the funding provided by
15 this Board would have to be tied to the objectives of those
16 programs and the initiatives that we've outlined in those
17 criteria.

18 BOARD VICE CHAIRMAN CHESBRO: That's reassuring
19 and I think we should insist on that if it's not obvious or
20 put up front, because I think recycling has been way
21 overlooked in the whole discussion that's been going on
22 about environmental technology as a economic engine for the
23 state.

24 I think the potential, I'm sure everybody here
25 agrees, the potential for jobs and economic activity from

1 recycling and recycling market development is as great or
2 greater than all the other possibilities put together.

3 BOARD MEMBER HEIDIG: Mr. Chairman.

4 BOARD CHAIRMAN HUFF: Yes, Mr. Heidig.

5 BOARD MEMBER HEIDIG: Ralph, at the San Jose
6 meeting a motion passed which directed staff to investigate
7 the development of a policy which would have the effect of
8 exempting jurisdictions which have a per capita disposal
9 rate of less than four pounds per day per person and
10 population of under 60,000 from the 50 percent goal.

11 What steps have staff taken to prepare that issue
12 for the Planning Committee?

13 EXECUTIVE DIRECTOR CHANDLER: I have not been
14 briefed by staff on those steps. I could certainly look
15 into that and provide you with more detail, but I'm not
16 prepared right now to respond to that.

17 BOARD CHAIRMAN HUFF: Does that conclude your
18 report?

19 EXECUTIVE DIRECTOR CHANDLER: That concludes my
20 report.

21 BOARD CHAIRMAN HUFF: Thank you.

22 Next we have the consent agenda. The consent
23 agenda consists of the following items. And everybody get
24 out your agenda and follow along. Items 4, 5, 6, 7, 14, 16,
25 18, 19, 20, 22 through 32 inclusive, 37, 39 and 41.

1 Should I read it again? Everyone has it?

2 Does any Board member have any item that they wish
3 to pull from the consent agenda?

4 BOARD MEMBER HEIDIG: Mr. Chairman, I would like
5 to pull Item 37.

6 BOARD CHAIRMAN HUFF: Very well. Item 37 has been
7 pulled from the consent agenda.

8 Is there any other item?

9 Is there a motion on the consent?

10 BOARD MEMBER RELIS: Move it.

11 BOARD CHAIRMAN HUFF: It's been moved by
12 Mr. Relis.

13 Roll call, please.

14 BOARD SECRETARY KELLY: Board Member Chesbro.

15 BOARD VICE CHAIRMAN CHESBRO: Aye.

16 BOARD SECRETARY KELLY: Egigian.

17 BOARD MEMBER EGIGIAN: Aye.

18 BOARD SECRETARY KELLY: Heidig.

19 BOARD MEMBER HEIDIG: Aye.

20 BOARD SECRETARY KELLY: Neal.

21 BOARD MEMBER NEAL: Aye.

22 BOARD SECRETARY KELLY: Relis.

23 BOARD MEMBER RELIS: Aye.

24 BOARD SECRETARY KELLY: Chairman Huff.

25 BOARD CHAIRMAN HUFF: Aye.

1 Motion carries 6-0.

2 That takes us to Item 8. This is a permit item.
3 This is the transformation facility in Stanislaus County.

4 It was heard before the Permit Committee.

5 The Permit Committee I think found everything in
6 order. It passed with a 3-0 vote.

7 There was no one who testified in opposition to
8 this item.

9 It is not on consent because we are the EA in
10 Stanislaus County and so for that reason I've never put one
11 of those items on the consent calendar where we are acting
12 as the EA. That's why it's before us.

13 So maybe, Mr. Okumura, you can give a very brief
14 presentation and if anyone has any questions we can leave it
15 to that to develop the item further.

16 MR. OKUMURA: Thank you, Mr. Chairman.

17 Agenda Item 8 is for consideration of concurrence
18 in the issuance of a revised solid waste facilities permit
19 for Ogden Martin Systems of Stanislaus Incorporated
20 waste-to-energy facility.

21 The facility is located in the County of
22 Stanislaus for which the Board is acting as the enforcement
23 agency.

24 Prior to issuing the revised permit the Board as
25 the EA must find the facility in compliance with conditions

1 set forth in PRC 44150.

2 Staff will present evidence to support compliance
3 with these conditions, which are unique to the
4 transformation state facilities.

5 Mr. Tom Unsell will handle any questions that you
6 have.

7 As discussed earlier by the Chairman, this item
8 did go 3-0 vote with no opposition.

9 BOARD CHAIRMAN HUFF: Are there any questions of
10 the staff presentation?

11 BOARD MEMBER NEAL: Ask a question?

12 BOARD CHAIRMAN HUFF: Ms. Neal.

13 BOARD MEMBER NEAL: Do you want to explain why
14 this increase is necessary or not necessary but requested?

15 MR. OKUMURA: I think Mr. Bob Holmes can handle
16 that question.

17 MR. HOLMES: Good morning. Bob Holmes with the
18 Board's EA section.

19 The difference in tonnage from 14 to 17 hundred
20 tons per day is necessary for the facility to maintain
21 adequate waste in the pit so that they have material
22 available at all times to maintain the constant steaming
23 rate.

24 They found the 1400 tons that they currently have
25 was in place since they started operating the facility and

1 it was based on some estimations of Btu values of the waste.

2 The operators found that the Btu value on the
3 average is a little bit lower than they expected, so they
4 are burning slightly more. It's like a ten percent
5 increase.

6 BOARD MEMBER NEAL: What's the impact of that
7 lower Btu?

8 MR. HOLMES: There's less heating value in the
9 waste so they have to burn a little bit more to maintain the
10 constant steaming rate to produce the energy that they are
11 doing.

12 The environmental impact report that was done
13 initially for the site was based on -- the impacts from the
14 whole facility were based on the steaming rate output. So
15 the steaming rate is staying the same, but they were having
16 to burn slightly more waste to maintain that.

17 EXECUTIVE DIRECTOR CHANDLER: Ms. Neal --

18 BOARD MEMBER NEAL: They want to bring in more so
19 they have to burn less?

20 EXECUTIVE DIRECTOR CHANDLER: Let me see if I can
21 add what little bit I recall from my days of doing some
22 cogeneration projects is that the turbines that are
23 providing the electricity from the steam that is being
24 generated from the sense that this fuel source being the MSW
25 are not operating at optimum efficiency. In other words,

1 the project is deemed to be viewed as being more economical
2 if they have a higher Btu content in the fuel supply.

3 Therefore the turbines run more effectively or
4 more efficiently and they generate their peak capacity of
5 electrical output by having a higher Btu content.

6 So it's simply probably an engineer's calculation
7 that says let's up the Btu content in the fuel supply and
8 get greater efficiency out of the turbine through the
9 electricity we are producing from the steam.

10 BOARD VICE CHAIRMAN CHESBRO: You do that by
11 putting more garbage in?

12 EXECUTIVE DIRECTOR CHANDLER: That's right.

13 BOARD CHAIRMAN HUFF: They have a machine that's
14 designed for 100 octane and they're burning 85 octane and
15 it's knocking.

16 BOARD VICE CHAIRMAN CHESBRO: So they want to put
17 more gas in?

18 BOARD CHAIRMAN HUFF: Yeah.

19 BOARD MEMBER NEAL: Tell them to convert to
20 methanol, it's not a problem.

21 BOARD CHAIRMAN HUFF: Methanol is 102 octane.

22 BOARD MEMBER RELIS: There's another way to look
23 at it. It may be a low because the recycling efforts have
24 been effective and they have less paper and high Btu
25 material going through. That's what I would assume is going

1 on here.

2 MR. HOLMES: If I haven't explained it to your
3 satisfaction the operator is here and they may do a better
4 job than I.

5 BOARD MEMBER NEAL: Is this a 5-day-a-week issue
6 or 7-day-a-week?

7 MR. HOLMES: They're accepting six days a week.
8 Saturday receipts are much lower than during the week. They
9 don't accept on Sunday. But they're burning continuously.

10 BOARD MEMBER NEAL: There's another question of
11 staff.

12 Just reading the agenda item I'm a little confused
13 by something.

14 On your resource recovery programs on page 50 it
15 says that the county expects to receive a 1995 rate of 25
16 percent and that currently they have achieved a rate of
17 greater than 22.5, but I assume that's not quite 25; is that
18 correct?

19 MR. HOLMES: That's my understanding.

20 BOARD MEMBER NEAL: Okay.

21 FROM THE AUDIENCE: Based on 1990. That was based
22 on the 1990 finding.

23 BOARD MEMBER NEAL: Okay. So have they changed
24 their -- because on the next page says something about
25 counties are using front-end methods to remove recycled

1 materials and they're doing it to the maximum extent
2 feasible. So if they're already doing it to the maximum
3 extent feasible, how are they going to get from the 22.5 to
4 25?

5 FROM THE AUDIENCE: There is somebody here from
6 the Stanislaus County Environmental Resources Department,
7 Dennis Shuler.

8 MR. SHULER: Dennis Shuler with Stanislaus County
9 Department of Environmental Resources.

10 The initial figures in the 22 percent range were
11 based on our base-year diversion, which is 1990.

12 Since then we've had significant improvements in
13 diversion activities, source reduction activities of all
14 types.

15 And we have no doubt that not only Stanislaus
16 County but all our nine incorporated cities will meet our 25
17 percent goal. And it's fully documented with our SRRES as
18 to the achievement of our 50 percent goal and so we have no
19 doubt that we'll be able to achieve them.

20 BOARD CHAIRMAN HUFF: I believe it. Source
21 reduction is always possible.

22 BOARD MEMBER NEAL: I'd like to believe it too.

23 BOARD CHAIRMAN HUFF: But I also think that its
24 linkage to this permit is tenuous at best.

25 BOARD MEMBER NEAL: But it may be tenuous at best

1 but it's included in the agenda item so I have to assume
2 that there is some linkage or it would not have been
3 included.

4 BOARD CHAIRMAN HUFF: That's correct. But we
5 don't examine each individual permit, and to require of each
6 individual permit 25 percent.

7 BOARD MEMBER NEAL: I think that this is an
8 unusual permit in that there are only three waste-to-energy
9 facilities in the entire state. So we may not examine each
10 permit according to this, but I think when we have unusual
11 or exceptions that we ought to look a little more closely.

12 And like I said just my reading of the agenda item
13 gave me some confusion because if they're saying that
14 they're at the maximum extent and they are at 22.5 but they
15 want to put more waste into the burner, I don't know how we
16 get to 25 if you've got something that is fueled by economic
17 necessity according to the operator, which I think would be
18 a compelling drive to get the waste into the burner, how you
19 got to 25 percent.

20 I do see some linkage there. I don't know enough
21 about the operation to discuss it in great detail, but it is
22 sufficient to raise some question in my mind.

23 BOARD CHAIRMAN HUFF: Let me ask the question then
24 this way.

25 Does all the waste in this wasteshed go to this

1 burner presently?

2 MR. SHULER: No; it does not.

3 BOARD CHAIRMAN HUFF: That answers your question.

4 BOARD MEMBER NEAL: Perhaps.

5 MR. SHULER: In terms of the contracting
6 communities of which Stanislaus County is part, the issue is
7 we're not disposing of more waste because there's an
8 increase in this number. The material that now will go to
9 the waste-energy facility because of this flexibility was
10 previously being landfilled.

11 This is not an issue of now we have more waste to
12 get rid of. This is the exact same waste we're already
13 disposing of.

14 But we're having to divert it to the landfill
15 because there's -- because of for example a transfer station
16 may break down and they may have to hold waste for longer
17 period of time and the day that they have to deliver extra
18 waste would put the facility over their permitted limit.
19 Therefore that waste gets diverted to the landfill.

20 In fact we're not asking to dispose of more waste,
21 we're just asking it to go to the waste-energy facility
22 where it can be used more efficiently and not take up
23 landfill capacity.

24 BOARD MEMBER NEAL: The other option is to be more
25 aggressive about minimizing it in the first place, but

1 that's another discussion.

2 BOARD CHAIRMAN HUFF: This is true, but they're
3 going to make their 25 and they're going to make their 50.

4 BOARD MEMBER NEAL: So they say.

5 BOARD CHAIRMAN HUFF: So their plan says.

6 MS. ANDERSON: One other point that I'd like to
7 make is that the staff in working in the enforcement agency
8 section in Stanislaus County also inspects all the other
9 transfer stations and most of them have the front-end
10 recycling system set up and are much further along than some
11 of the other jurisdictions I've seen.

12 All the transfer stations have MRF sorting lines
13 and have real aggressive resource recovery areas. As the
14 jurisdiction grows the tonnage is going to be staying the
15 same at the waste-energy plant, but the waste is going to
16 increase and I can see where they will be making a lot of --
17 they will be making a lot of progress in recycling just
18 because they have the systems already set up..

19 BOARD CHAIRMAN HUFF: I think that court reporter
20 needs a name.

21 MS. ANDERSON: Sharon Anderson, Enforcement Agency
22 Section.

23 BOARD MEMBER RELIS: Mr. Chair, in fact in
24 committee we discussed I think the unique characteristics of
25 this permit because it does have in place this front-end

1 requirement that maximum recycling occur. And that's even a
2 contractual requirement.

3 So I think in response to the concern there the
4 permit reflects the unique nature of the facility.

5 BOARD CHAIRMAN HUFF: That's right.

6 BOARD MEMBER RELIS: And the precautions have been
7 put in place to achieve the diversions.

8 BOARD CHAIRMAN HUFF: Are you ready to move the
9 item?

10 BOARD MEMBER RELIS: I'll move it.

11 BOARD CHAIRMAN HUFF: It's been moved.

12 BOARD MEMBER NEAL: I just have one more question.

13 BOARD CHAIRMAN HUFF: Okay.

14 BOARD MEMBER NEAL: I want to make sure I
15 understand all the ramifications on what we're voting on.

16 BOARD CHAIRMAN HUFF: Proceed.

17 BOARD MEMBER NEAL: Do we know for sure that this
18 increased tonnage will be sufficient to have the outcome
19 that the facility is looking for?

20 BOARD CHAIRMAN HUFF: If it isn't --

21 BOARD MEMBER NEAL: Or is this another --

22 BOARD CHAIRMAN HUFF: If it isn't they come
23 forward again.

24 BOARD MEMBER NEAL: -- asking for more.

25 BOARD CHAIRMAN HUFF: If it isn't they have to

1 come forward and change the permit.

2 MR. HAHN: Jeffrey Hahn, Ogden Martin Systems.

3 This will be sufficient. We just want some
4 flexibility in our day-to-day operation.

5 And just another partial answer to your question,
6 we're talking about seasonal differences with influence of
7 rain and water in the waste. The waste gets heavier. And
8 that's what we're looking for as well as the issues of the
9 deliveries from the transfer stations. In the wintertime
10 the waste just has more water. We're evaporating more
11 water. But in no way are our air emissions affected on any
12 of the offsets that we have.

13 We operate at the best envelope for lower
14 emissions when we keep the boilers at the steaming rate that
15 they were designed for.

16 Really it's a question of wintertime, moisture in
17 the solid waste and the flexibility of receiving only so
18 many days a week, of having to work 24 hours a day, seven
19 days a week. There's really no more influence of more fuel
20 coming in.

21 The boilers are limited by their steaming rate and
22 limited by their air permit.

23 BOARD CHAIRMAN HUFF: What you are saying is when
24 you throw water on fire it gets cooler?

25 MR. HAHN: Yeah. You need a little bit more of

1 that wet waste to get the same steam. It's the same as your
2 fireplace.

3 BOARD CHAIRMAN HUFF: There is a motion.

4 Can we have a roll call, please.

5 BOARD SECRETARY KELLY: Board Member Chesbro.

6 BOARD VICE CHAIRMAN CHESBRO: Aye.

7 BOARD SECRETARY KELLY: Egigian.

8 BOARD MEMBER EGIGIAN: Aye.

9 BOARD SECRETARY KELLY: Heidig.

10 BOARD MEMBER HEIDIG: Aye.

11 BOARD SECRETARY KELLY: Neal.

12 BOARD MEMBER NEAL: Abstain.

13 BOARD SECRETARY KELLY: Relis.

14 BOARD MEMBER RELIS: Aye.

15 BOARD SECRETARY KELLY: Chairman Huff.

16 BOARD CHAIRMAN HUFF: Aye.

17 Motion carries 5-0.

18 Next item is regulatory tiers.

19 MS. TRGOVCICH: Good morning, Mr. Chairman. I'm
20 Caren Trgovcich of the Planning and Analysis Office.

21 We're here to present a consideration item for
22 adoption of the proposed regulatory tiers regulation package
23 and accompanying negative declaration on that package as
24 well.

25 Just to give the members of the Board a very brief

1 history. This effort was initiated this last spring when
2 staff came before the Permitting and Enforcement Committee
3 with a summary of activities to date, looking at
4 nontraditional facilities and the range of options for
5 regulatory oversight.

6 It was the direction of the committee at that time
7 that staff go back and develop a comprehensive tiered
8 regulatory structure which addresses all solid waste
9 facilities in the state, nontraditional and traditional
10 alike.

11 This package proceeded to be developed and was the
12 subject of two workshops in both June and July of this year.

13 The first set of first workshops covered the
14 concept of tiered permitting and the second set of workshops
15 covered the actual regulatory language which was the first
16 draft at that time.

17 This regulations package subsequently went to
18 formal notice on August 9th with the 45-day public comment
19 period ending on October 3rd, with a subsequent public
20 hearing held on October 4th.

21 Colleen Murphy of the Planning and Analysis Office
22 will briefly describe for you changes made subsequently to
23 that regulatory package and the 15-day notice accompanying
24 those changes.

25 MS. MURPHY: I'm Colleen Murphy with the Planning

1 and Analysis Office.

2 These regulations have been subject to a 45-day
3 comment period, which ended on October 3rd.

4 The resulting changes for that 45-day comment
5 period include that the regulations were modified to reflect
6 that they only apply to operations identified in the minimum
7 standards.

8 The tier previously referred to as preauthorized
9 is now referred to as excluded.

10 The registration tier was modified to reflect that
11 CEQA need not be complied with to meet the requirements of
12 that tier.

13 And the requirements for the standardized permit
14 were modified to indicate that the Board shall concur in or
15 object to the permit rather than the executive director.

16 These changes triggered another 15-day comment
17 period which extended from October 8th to October 26th.

18 During that time the Permitting and Enforcement
19 Committee requested two changes to the regulations, which
20 included that the excluded tier and the EA notification tier
21 were modified to indicate that the operations were subject
22 to inspection and enforcement activities and also that the
23 EA notification tier was modified to increase the amount of
24 information and detail required for that tier.

25 These changes triggered an additional 15-day

1 comment period and rather than having a full comment period
2 we extended the first 15-day comment period until November
3 10th. And that comment period has since closed.

4 We have received comments during that period which
5 include that the regulations be returned to staff and that
6 they not be adopted until such time that the facilities are
7 placed into the tiers as well as operations and also that we
8 remove the EA notification tier and the excluded tier from
9 the regulatory structure.

10 During the November Permitting and Enforcement
11 Committee meeting we also were requested by the committee to
12 include information regarding multiple operations and
13 inspection frequency for the EA notification tier in the
14 final statement of reasons.

15 And staff will do that.

16 And that summarizes the comments received and the
17 changes made during the comment period.

18 MS. TRGOVCICH: Just to briefly summarize now that
19 you've heard the comments that were suggested through the
20 public comment period, to summarize for you the tiered
21 regulatory package.

22 It contains five tiers.

23 The upper tier is what we now call a full solid
24 waste facilities permit, which is the existing process or
25 what we refer to as one-size-fits-all permit.

1 It expands that to include the next tier of what
2 is now standardized permit. That tier will contain
3 boilerplate language for any facilities that are placed
4 through subsequent rulemaking process into this tier on what
5 the requirements of that permit would be and that permit
6 itself would be subject to Board concurrence.

7 The tier underneath that is the registration tier.
8 This tier is considered to be a nondiscretionary tier in
9 terms of the action that would be taken.

10 The application itself would be completed and
11 turned into the local enforcement agency, who would conduct
12 a completeness review.

13 Upon conclusion if that application was determined
14 to be complete and correct the local enforcement agency
15 would approve that registration permit and return it back to
16 the applicant.

17 Underneath those tiers are what we now call
18 regulatory oversight tiers, the fourth tier of which is
19 called a notification tier. This tier would require that
20 any operator whose facility or operation was placed into
21 this tier as a result of the subsequent rulemaking activity
22 by this Board would have to notify the local enforcement
23 agency, who would then send copies to this Board of the
24 existence of that operation, a brief description of that
25 operation and that facility would have to then meet any

1 standards the Board determined to be appropriate.

2 BOARD CHAIRMAN HUFF: You said the word facility.

3 MS. TRGOVCICH: I'm sorry.

4 Operations. Those operations would have to meet
5 any standards that the Board determined to be appropriate
6 when that operation was placed into that tier.

7 The final tier is what we call an exclusion tier
8 and it is for any solid waste handling methods or operations
9 which the Board through a subsequent rulemaking process
10 would determine requires some knowledge on the part of the
11 local enforcement agency or on the part of the Board that it
12 is an operation but that it would be excluded from
13 regulatory or permit oversight.

14 That concludes staff's presentation.

15 BOARD CHAIRMAN HUFF: Thank you.

16 Let me direct Board members to pages 71 and 72 for
17 a capsule description of the tiers.

18 And let me also say why I interrupted Caren there
19 was to briefly to point out to her that she used the word
20 "facility."

21 What we have here is three tiers that deal with
22 things that are solid waste facilities and therefore by law
23 must have a permit.

24 And as I understand state law this Board does not
25 have the authority to exempt a solid waste facility from the

1 requirement of having a permit.

2 Is that correct, Counsel?

3 MR. BLOCK: That's correct.

4 BOARD CHAIRMAN HUFF: So we aren't going to do
5 that. If it's a solid waste permit it will get a permit.

6 But there are some things out there that might
7 handle solid waste and not be a solid waste facility.

8 For them we have an excluded tier if they are
9 really of things handling and doing things that we don't
10 care about, or a notification tier if it's handling solid
11 waste, not a facility but it's something that we might have
12 a passing interest in.

13 So if you look at pages 71 and 72 you'll see the
14 full permit. We're talking about 150-day process period.
15 We're talking about the permit package itself containing
16 descriptions, requirements that are unique to the facility
17 in question, facility specific, site specific.

18 The standardized permit is not of that nature.
19 Standardized permit is 75-day process period, half the
20 length of time, and it is boilerplate. It has standard
21 conditions for a type of facility rather than specific
22 requirements for a specific facility.

23 The registration is basically this is your permit
24 by rule.

25 Notification, as I described before, this is not a

1 permit, this is not a solid waste facility, but it is
2 handling solid waste and we may have reason to want to know
3 about that.

4 BOARD MEMBER RELIS: Mr. Chair.

5 BOARD CHAIRMAN HUFF: Yes.

6 BOARD MEMBER RELIS: Just a quick clarification.

7 In the presentation we heard this described as a
8 regulatory oversight.

9 I thought that was -- I don't remember hearing
10 that term, but I thought that was a good way to put it.

11 BOARD CHAIRMAN HUFF: I think it is.

12 And then exclusion, as I said, these are things
13 that simply are not of a nature that we want to choose to
14 exercise any regulatory oversight.

15 MS. TRGOVCICH: Correct.

16 But they will be included as the Board moves
17 forward in regulatory packages for purposes of clarity.

18 BOARD CHAIRMAN HUFF: That's right.

19 Now, we have slotted no facility in any tier at
20 the present time, nor do we have any predetermined
21 conclusions as what is appropriate for any facility type in
22 terms of these tiers.

23 We are working on the compost package which does
24 slot various facilities and various tiers, but that's a
25 separate package.

1 What we are establishing here is simply the
2 framework into which we will slot facilities.

3 And we will be working on a calendar slotting
4 facilities. We will work on ash. We will work on
5 contaminated soil. We will work on MRFs and transfer
6 stations. We will work on recycling facilities and slotting
7 them into the proper tiers will begin immediately as a
8 matter of fact on those sorts of facilities, because there's
9 a need to do that. There's a crying need to do that.

10 So that will be occupying staff through 1995.

11 MS. TRGOVCICH: And beyond.

12 BOARD CHAIRMAN HUFF: And beyond.

13 But at the present time that's a future activity.

14 BOARD MEMBER EGIGIAN: Mr. Chairman.

15 BOARD CHAIRMAN HUFF: Mr. Egigian.

16 BOARD MEMBER EGIGIAN: I don't want to bring this
17 up now, but after we get through with this item I want to
18 talk on this item. Okay.

19 BOARD CHAIRMAN HUFF: Okay. Are there any
20 questions of the staff presentation?

21 Let me say that staff has worked very hard and I
22 think very creatively and diligently on this and the staff
23 should be commended. And I'll say that again when we reach
24 the end of this item, but I wanted to say that now. And I
25 appreciate the work that they have done.

1 I do have two requests to address this item.

2 The first is Denise Delmatier.

3 MS. DELMATIER: Good morning, Mr. Chairman and
4 members of the Board. Denise Delmatier with the Gualco
5 Group on behalf of Norcal Waste Systems.

6 I too want to thank staff for their very hard work
7 and diligent work on this item.

8 It has been contentious. It has been long in
9 coming.

10 And we appreciate Ms. Murphy's, Mr. Block's
11 Ms. Trgovcich and Mr. Lipson's efforts on this work, on this
12 project. They have been very cooperative in responding to
13 our inquiries and our discussions both in workshops, private
14 meetings and hearings. So we appreciate it and look forward
15 to working with you on future projects.

16 I also want to thank the Permit and Enforcement
17 Committee members in particular because they also have
18 worked very very hard on developing this regulatory package.

19 And it has been long in coming, as we all know.
20 We have been here many many times on this particular
21 regulatory package. And although we may not always agree on
22 this particular project, we do appreciate the efforts that
23 the committee members have put forward and particularly the
24 chairman in bringing all the varied interests together in
25 trying to put together a package that can secure the proper

1 votes and be successful.

2 I also want to thank Chairman Egigian of the
3 Policy Committee who first brought forward this issue some
4 years ago in the developing the first discussions on this
5 matter.

6 And we anticipate that this package probably goes
7 out today.

8 And we again have been here before Policy
9 Committee and Permit Committee many many times.

10 We would like to have the opportunity, however, at
11 this time to enter into the record additional clarifying
12 comments regarding our concerns that have been voiced in the
13 past. So at this time I'd like to enter into the rulemaking
14 record additional clarifying comments if I may.

15 BOARD CHAIRMAN HUFF: You may.

16 MS. DELMATIER: Thank you.

17 BOARD CHAIRMAN HUFF: What we have here is the
18 stationery of a law office with what looks like 100
19 attorneys' name at the top in fine print.

20 MS. DELMATIER: The comments that I have just
21 handed the Board members are reflective of the comments that
22 we have many many times stated in the hearings and workshops
23 and meetings with the Permit and Enforcement Committee
24 members and both in public and in private.

25 And for the three members of the Board that

1 haven't participated in those discussions I don't want to
2 spend a lot of time on this this morning because we have had
3 so many discussions on it in the past, but just very very
4 briefly for Ms. Neal and Mr. Chesbro and Mr. Heidig, we
5 question the legislative authority under existing statute by
6 which the notification and exclusion tiers are being
7 established under this regulatory package.

8 And basically the issue is this.

9 Under those two tiers the operations of a facility
10 or whatever we want to call it, a processing station, if you
11 will, in order to avoid the statutory term solid waste
12 facility, but a station that processes waste, that either
13 receives or processes waste is what is defined as a solid
14 waste operation under those proposed tiers.

15 Now, that mirrors the definition of a solid waste
16 facility.

17 Under the definition of a solid waste facility the
18 statute specifically state that a composting operation, a
19 transfer operation and a processing operation are in fact a
20 solid waste facility.

21 Therefore, it is our opinion and the opinions that
22 I have just handed you, that the statutes require a permit
23 be issued for a processing or transfer station.

24 We also believe that the regulatory package is
25 inconsistent, therefore, with the 44000 series in the Public

1 Resources Code that sets forth the specific requirements for
2 the issuance of a permit for a solid waste facility.

3 We also believe that because the statutes already
4 address the specific permitting requirements for a solid
5 waste facility that this regulatory package is unnecessary
6 under the requirements of the Office of Administrative Law
7 and the Administrative Procedures Act.

8 We also believe that because of the statutes as
9 they exist today they are inconsistent then with existing
10 statute.

11 And then finally we also believe that the Mirage
12 decision in particular by way of reference is applicable on
13 this regulatory package.

14 So for those reasons we are opposed to the
15 notification and exclusion tiers and believe that a tiered
16 system can be established with a five-tiered system, if you
17 will, six tiers, four tiers, any number of tiers that the
18 Board chooses to adopt, but that in fact they are permits.

19 All of this has been stated before many many times
20 and so we need not belabor the point this morning.

21 But again to reiterate I do thank the Chairman and
22 members of the committee and the staff in working with us on
23 this issue.

24 I'd be happy to answer any questions.

25 BOARD CHAIRMAN HUFF: Are there any questions of

1 Ms. Delmatier?

2 Counsel, do you have any rebuttal? Do you think
3 any is necessary?

4 MR. BLOCK: That's a loaded question.

5 Well, as noted, these are arguments that have been
6 brought up in the past and that we've already answered.

7 BOARD CHAIRMAN HUFF: We've considered these
8 before.

9 MR. BLOCK: I could if there's a need on the part
10 of the Board for me to answer some of the specific
11 questions. We'll certainly be responding to this as part of
12 the rulemaking record.

13 BOARD CHAIRMAN HUFF: Is there anything in this
14 regulatory package, Counsel, that in this package makes
15 something that is a solid waste facility not get a permit?

16 MR. BLOCK: No.

17 BOARD CHAIRMAN HUFF: It seems to me in order to
18 make that allegation one would have to wait until a solid
19 waste facility is exempted from a requirement of getting a
20 permit.

21 MR. BLOCK: That would be my view, yes.

22 BOARD CHAIRMAN HUFF: Yes. Okay.

23 Ms. Delmatier, is it possible then to discard a
24 material, which I think is the criterion in the Rancho
25 Mirage decision, solid waste must be discarded, is it

1 possible to in the process of discarding material not to be
2 a solid waste facility? Is there anything on this earth
3 that isn't a solid waste facility that discards material?
4 Rhetorical question.

5 MS. DELMATIER: Of course.

6 But the Rancho Mirage case specifically states
7 that recycled materials that are discarded are in fact waste
8 under the Act.

9 So it's a definition then of what is not and what
10 is a facility, as you well know.

11 BOARD CHAIRMAN HUFF: Which is the definition we
12 wrestled with all through the summer.

13 MS. DELMATIER: Right.

14 BOARD CHAIRMAN HUFF: Mr. Heidig, you look poised
15 to speak.

16 BOARD MEMBER HEIDIG: Mr. Chairman, I would like
17 to hear counsel's rejoinder to this letter.

18 I've not had the benefit of their opinion before
19 the regulatory committee.

20 MS. DELMATIER: Mr. Sweetser, Larry, do you have a
21 copy for Mr. Block?

22 MR. BLOCK: I had a chance to skim through it.

23 BOARD CHAIRMAN HUFF: It's the same old --

24 MR. BLOCK: Is there a specific question that's
25 raised that you would like me --

1 BOARD MEMBER HEIDIG: For example it says in the
2 letter that an application -- it was just given to me so I
3 haven't had a chance to read the entire letter, but it says
4 that PRC sets forth that a application must be on file 120
5 days in advance of operation.

6 Is there -- what is the rationale for tiered
7 permitting in this code that allows us to do that?

8 MR. BLOCK: That allows --

9 BOARD MEMBER HEIDIG: To pursue tiered permit.

10 BOARD CHAIRMAN HUFF: I think he's asking about
11 40195, handling as opposed to permitting.

12 MR. BLOCK: That was not the question that I
13 thought he was asking.

14 The Board's Act, the Act sets out -- there are two
15 separate sections, 43020 and 43021, which --

16 BOARD CHAIRMAN HUFF: I misquoted.

17 MR. BLOCK: Specific authority to adopt
18 regulations.

19 And I don't know how -- I don't have those in
20 front of me. I don't know how detailed you want me to get
21 into this discussion, but basically it indicates that solid
22 waste facilities are a subset of solid waste handling,
23 because 43021 is a subset of 43020.

24 And in fact the Board does have regulations on the
25 books now for regulating solid waste handling operations

1 separate from those being a solid waste facility.

2 So the authority is there to do that.

3 BOARD CHAIRMAN HUFF: Yeah.

4 I would also say that in the second paragraph of
5 the letter it says, it states the proposed regulations
6 anticipate that certain solid waste facilities will be
7 excluded from the permit requirement.

8 And that was the basis of my question at the very
9 beginning of this conversation. Is that true? The answer
10 is no. It cannot be said at this point in time that the
11 regulations anticipate that a solid waste facility will be
12 excluded from the permit requirement.

13 MS. TRGOVCICH: And more specifically the way the
14 tiered structure is designed a solid waste facility could
15 only be considered for placement in the upper three tiers
16 which are permit tiers.

17 BOARD CHAIRMAN HUFF: That's correct.

18 MR. BLOCK: I might also note that the initial
19 statement of reasons that was actually mailed with the
20 regulations at the start of the 45-day comment period has
21 about a 10- or 15-page section addressing about the six
22 legal issues that were raised while this was taken through
23 the informal workshop period.

24 And I've dealt with the legal authority issues,
25 the timing issues and the like in that statement.

1 And we'll be updating that in the final statement
2 of reasons as well.

3 BOARD CHAIRMAN HUFF: Okay. Any other questions.
4 on this subject?

5 I also have a request from Evan Edgar.

6 MR. EDGAR: Good morning, Board members and
7 Chairman Huff. It's a pleasure to talk about tiered
8 permitting.

9 I've been on a trail of tears personally for the
10 last year, but CRRC has been doing it for the last three
11 years.

12 It's been a very critical issue to the industry.

13 On behalf of the 200 waste haulers and the rest of
14 the members that I represent we have taken a hard look at
15 tiered permitting for the last five years. It's always been
16 a permitting and enforcement issue. Have the permit and
17 enforcement. They go hand in hand whenever you issue any
18 type of permit.

19 All this happened prior to 1990. Before AB 939 a
20 lot of activity was out there in the field. We only had one
21 type of permit and it fit everything. We had landfills. We
22 had transfer stations. And that one permit worked for those
23 type of facilities, kind of.

24 But during the late '80s I was a county employee
25 working on different diversion facilities, prior to AB 939.

1 When I was a county employee I worked on a
2 composting facility in Kern County taking sewage sludge. We
3 were able to use a R-5, report of facility information, for
4 a transfer station to get that permitted.

5 Later on I worked on a project for a solar
6 remediation project taking contaminated soils from oil
7 projects, clean it up and use it for alternative daily
8 cover.

9 Once against we used the R-5 and a transfer
10 station permit in order to permit that facility.

11 What made this work was that we had good local
12 government. We had a conditional use permit and a CEQA
13 process.

14 So in between CEQA and CUP process and a good
15 local government we made diversion facilities work prior to
16 1990.

17 Then came the mandates to get 25 percent by 1995
18 and 50 percent by the year 2000.

19 The permitting of the traditional and
20 nontraditional facilities became to be very important to us.

21 A lot of new facilities became into focus. And
22 that's when industry got really concerned because a lot of
23 these new facilities that were popping up to address the
24 waste diversion mandate were permitted, some were not
25 permitted. We had a lot inequities out there.

1 In early 1992 and 1993 industry started to promote
2 waste diversion facilities with respect to tiered
3 permitting.

4 And Sam Egigian's committee, the Policy Committee,
5 had a good two years of study on this issue.

6 And we realize that one size doesn't fit all. We
7 realize we need appropriate level of permitting and
8 enforcement in order to make equity within the permit
9 system, at the same time reach our mandates.

10 We have to reach 25 percent by 1995. We need to
11 have some type of permit system that's fair and equitable.

12 However, in 1994 this issue got highjacked with
13 respect to nontraditional facilities. A whole new aspect of
14 facilities that the Waste Board never really got into and
15 even have an LEA advisory out stating that they don't want
16 you to take applications for those types of facilities.

17 So '94 was a year that redefined tiered
18 permitting. Got into new terms such as exclusion and
19 notification to the EA and preauthorization.

20 But we had a lot of good discussion, a lot of good
21 policy discussion on this issue.

22 But the whole issue comes back to permit equity
23 and enforcement.

24 We always wanted that with respect to volume,
25 feedstock and percent residuals.

1 Whenever the solid waste industry does something
2 we're looked at it differently than if the recycling
3 industry does something.

4 It could be the same feedstock, same volume, same
5 process. However, when we do it we get violated and
6 recycling industry gets validated.

7 We take the rap and they get a WRAP award.

8 We have fines, they get grants.

9 BOARD CHAIRMAN HUFF: You pulled out the A
10 material.

11 MR. EDGAR: Where we're the bad boys of solid
12 waste, the evil twins and the mad dog of solid waste, the
13 recycling industry they get all the grants and the awards.
14 So it goes back to permit equity.

15 BOARD VICE CHAIRMAN CHESBRO: But the solid waste
16 industry hired a poet.

17 MR. EDGAR: Thank you.

18 That goes back to volume, feedstock and percent
19 residuals, not what you have on the side of the truck if
20 it's a solid waste hauler or recycling, because it's the
21 same process and the permit is in the process.

22 In the permit goes back to -- the issue has been
23 very important to us because we have been chief proponents
24 of AB 1220. The permit streamlining act was really helped
25 with respect to tiered permitting and the tiered permitting

1 structure.

2 We need these facilities to reach our mandates.

3 So the tiered permitting are basically designed to
4 accommodate waste diversion facilities. They're not out
5 there to accommodate landfills or dirty MRFs or big
6 facilities. They're out there to accommodate AB 939 waste
7 diversion facilities.

8 And what has made these successful locally when
9 the tiered permit structure has been in discussion for the
10 last four years has been the local government. They have
11 conditional use permits. They have the CEQA process. They
12 have been doing it locally for many years and it works.

13 But what hasn't worked over the years has been
14 enforcement. Enforcement has been a key issue. And there's
15 a lack of enforcement on all of these facilities.

16 We have always supported the LEA certification
17 process, but more importantly we support the LEA
18 decertification process.

19 We feel it's needed to make this tiered permitting
20 system work. We need inspections.

21 As part of the notification tier we promote the
22 need to have quarterly inspections of those facilities to
23 make sure they don't tier up into another level as they get
24 their grants and their WRAP awards, because they can easily
25 become permits once they process more volume and process

1 more waste stream and get more residuals.

2 So CRRC would promote the use of the quarterly
3 inspection as part of the notification tier.

4 And keeping in mind that the local government will
5 still need to issue a conditional use permit, most likely.
6 Still need to go through the CEQA process.

7 Whereas that's not part of the tiered permitting
8 structure at the Waste Board but it is part of local
9 government and they will do the job locally to accommodate a
10 lot of state minimum standards within their conditional use
11 permit.

12 The CRRC platform over the last year since I've
13 been here we have always promoted AB 1220. We have
14 supported the local enforcement agency and local government
15 control and we always supported tiered permitting, where the
16 permit is in the process and the lowest permit is
17 registration.

18 CRRC supports the tiered permitting structure. We
19 feel it's needed. The framework is needed to make it work.
20 We need to have the facilities permitted in order to achieve
21 our mandates, especially the 50 percent for the year 2000.

22 And after waiting three or four years to get to
23 this point we would love to see the slotting of facilities
24 for traditional facilities where it all started back in 1992
25 for a solid waste facilities as well as recycling

1 facilities.

2 Instead of waiting for next October we would like
3 to see it start in January, January 1995, with respect to
4 year to reach the 25 percent goal. Why not start slotting
5 facilities for traditional facilities and recycling
6 facilities?

7 After all, I think they're the same facilities
8 based upon feedstock, volume and percent residuals.

9 With that, CRRC commends the Waste Board staff.
10 Rosalyn did a lot of work previously, Colleen and Caren.

11 So we're here today to support the tiered
12 permitting structure and let's get on with the show.

13 Thank you.

14 BOARD CHAIRMAN HUFF: Any questions?

15 Mr. Egigian, microphone is yours then, because I
16 have no other requests to speak.

17 Thank you.

18 BOARD MEMBER EGIGIAN: Are you going to take a
19 vote on this issue?

20 BOARD CHAIRMAN HUFF: Absolutely.

21 BOARD MEMBER EGIGIAN: Okay. I would like to talk
22 about it after the vote.

23 BOARD CHAIRMAN HUFF: All right. Okay. Then the
24 item is before us, if there are no questions.

25 BOARD MEMBER RELIS: Move it.

1 BOARD CHAIRMAN HUFF: Moving the item?

2 BOARD MEMBER RELIS: Yeah.

3 BOARD CHAIRMAN HUFF: The item's been moved.

4 Counsel, we have two motions.

5 Let's do the neg dec first. I like to do that
6 first.

7 The first is the negative declaration on CEQA.

8 So we will have a roll call.

9 BOARD SECRETARY KELLY: Board Member Chesbro.

10 BOARD VICE CHAIRMAN CHESBRO: Aye.

11 BOARD SECRETARY KELLY: Egigian.

12 BOARD MEMBER EGIGIAN: Aye.

13 BOARD SECRETARY KELLY: Heidig.

14 BOARD MEMBER HEIDIG: Aye.

15 BOARD SECRETARY KELLY: Neal.

16 BOARD MEMBER NEAL: Aye.

17 BOARD SECRETARY KELLY: Relis.

18 BOARD MEMBER RELIS: Aye.

19 BOARD SECRETARY KELLY: Chairman Huff.

20 BOARD CHAIRMAN HUFF: Aye.

21 Motion carries 6-0.

22 Now a motion on the regulations themselves.

23 BOARD MEMBER RELIS: I've made that motion.

24 BOARD CHAIRMAN HUFF: Okay. That motion was made
25 by Mr. Relis.

1 Without objection we'll substitute the prior roll
2 call.

3 The ayes are six, the noes are none. Motion
4 carries.

5 Mr. Egigian, you wish to make a statement?

6 BOARD MEMBER EGIGIAN: I wish to make a statement.

7 I want to thank Evan for bringing out all the fine
8 points in this article that we're discussing.

9 And I recall, and I have before me a calendar for
10 placement of operations into the regulatory tiers.

11 And it's been said many times over the last three
12 and a half years that this has been hijacked and it's been
13 slowed down and other things have been said about it.

14 Now I find that the transfer stations and
15 recycling facilities are going to be in October of 1995 to
16 April of 1996.

17 Mr. Chairman, my appointment goes until the end of
18 1995 and I would like to be around when this thing finally
19 gets to being discussed and the various tiers, the parts of
20 the tiers being placed where they should go.

21 What I'm saying is I'd like this thing to be moved
22 up from October of 1995 to sometime right after the first of
23 the year or so, so I will be here when this thing is being
24 discussed and complete what we started three and a half
25 years ago.

1 BOARD CHAIRMAN HUFF: I understand that sentiment,
2 Mr. Egigian.

3 My term coincides with yours and I'm not sure
4 whether I want to move it up or move it back.

5 It's actually a reasonable request and --

6 BOARD MEMBER EGIGIAN: Like February.

7 BOARD CHAIRMAN HUFF: I think we should move it
8 forward. I'm not ready to commit to February, but I think
9 we should move it forward so that completion is anticipated
10 prior to the end of your term.

11 As I understand it the reason why it wasn't
12 scheduled to start until the latter part of '95 was simply
13 to give us the opportunity to work with a couple of what was
14 anticipated to be easier issues, so that we could learn how
15 to deal with the slotting.

16 I think that we ought to revise the calendar,
17 however, so that we can anticipate completion of both
18 transfer stations and recycling facilities prior to the end
19 of '95.

20 BOARD MEMBER NEAL: Mr. Huff.

21 BOARD CHAIRMAN HUFF: Yes.

22 BOARD MEMBER NEAL: I think every member who is
23 currently sitting on this Board has some interest in this
24 item and some of us may be gone before then, so can we make
25 the decision today?

1 BOARD CHAIRMAN HUFF: You got four? That's known
2 as rule four. Okay.

3 BOARD MEMBER EGIGIAN: Mr. Chairman, this makes me
4 a little happier, because I thought it was planned to get
5 rid of me before the item came up.

6 And I want staff to know I'm going to be here.

7 BOARD CHAIRMAN HUFF: Well, I anticipate being
8 here just as long as you, Mr. Egigian.

9 BOARD MEMBER EGIGIAN: I know we're both slotted.

10 BOARD CHAIRMAN HUFF: That's right. That's right.

11 That takes us to Item 11, which is another package
12 of regulations. This one is a little different in that this
13 one -- before, I said I was going to say it again.

14 Thank you, staff. And that includes Colleen, who
15 took it over after Rosalyn did such good work at the
16 beginning. That includes Caren. That includes Elliot as
17 counsel. Who else?

18 MS. TRGOVCICH: Assistance from the Permitting and
19 Enforcement Division, especially.

20 BOARD CHAIRMAN HUFF: Everyone else who has their
21 fingerprints on this, a good job done.

22 Item 11, this is a housekeeping item. It comes to
23 us because there was a change in law that requires us to do
24 something and so we're spelling out in the regulation that
25 which we already do.

1 MS. TRGOVCICH: Correct. Mr. Chairman, Caren
2 Trgovcich again with the Planning and Analysis Office.

3 This is essentially housekeeping.

4 The Permit Reform Act back in 1992 mandated that
5 each agency adopt a procedure or regulation specifying the
6 agency's permit processing times.

7 These include the minimum, median and maximum time
8 frames to obtain a permit.

9 Because many or almost all of our programs are so
10 detailed in statute the time frames which you see reflected
11 in these regulations are in fact a reflection of statute.

12 There is no changing of the time frames for
13 processing a permit between statute and these regulations.

14 For example a solid waste facilities permit
15 requires that it be processed within 120 days and that's
16 what is reflected in these regulations.

17 A waste tire facilities permit requires the
18 180-day time frame and that is what is reflected in these
19 regulations.

20 So once again this is housekeeping.

21 The second element of this regulation package is
22 an appeals process, which was required by the Permit Reform
23 Act to be included for an applicant if the requirements of
24 the Permit Reform Act are not complied with by the agency,
25 specifically this Board, specifically the time frames which

1 we are just discussing. The maximum time frames to process
2 a permit.

3 So there is also an appeals process. This appeals
4 process has been developed jointly by Cal EPA and all of its
5 boards and departments. This is identical language that is
6 being included for all boards and departments and it is
7 specifically for appeals for going over the time frame
8 specified in statute.

9 BOARD CHAIRMAN HUFF: Okay.

10 MS. TRGOVCICH: So what this item is is a two-part
11 item.

12 Once again, consideration of the negative
13 declaration on these regulations as well as adoption of the
14 regulations as required by the Permit Reform Act.

15 BOARD CHAIRMAN HUFF: Any questions of staff?

16 Motion on the neg dec?

17 BOARD MEMBER EGIGIAN: I move it.

18 BOARD CHAIRMAN HUFF: Mr. Egigian moves it.

19 Without objection substitute the prior roll call.

20 The ayes are six, the noes are none.

21 BOARD VICE CHAIRMAN CHESBRO: I have a question.

22 BOARD CHAIRMAN HUFF: Motion carries.

23 Mr. Chesbro.

24 BOARD VICE CHAIRMAN CHESBRO: We have this overlay
25 of calendars between our 60-day time clock and this other

1 time clock that we are required to comply with.

2 And what concerns me is the question of how much
3 of that time clock we have control over and how much of it's
4 in the hands of the LEA and whether or not we could miss the
5 120 days based on things that we don't directly control
6 because our processing is split between local processing and
7 the Board's processing.

8 MR. BLOCK: Two answers to that.

9 Number one, specifically with the solid waste
10 facilities permit with the 120 days and our 60-day clock,
11 because statute would deem the Board to have concurred by
12 virtue of law, it's an issue regardless of these.

13 BOARD VICE CHAIRMAN CHESBRO: It's not possible
14 for the local enforcement agency to eat up more than enough
15 time so that we didn't even have 60 days?

16 MR. BLOCK: No. The 60 days for the Board starts
17 when the Board receives that.

18 BOARD VICE CHAIRMAN CHESBRO: But the 120 days
19 starts when the LEA receives it.

20 MR. BLOCK: That's correct.

21 BOARD VICE CHAIRMAN CHESBRO: So let's say they
22 take more than 60 days.

23 MR. BLOCK: That the second part of my response,
24 which is the consequences under this appeal procedure is
25 that the fees that have been paid are reimbursed and those

1 are fees that the LEA takes. The Board doesn't charge
2 separate fees for review of permits. So the consequences
3 are going to affect the LEA.

4 BOARD VICE CHAIRMAN CHESBRO: It's an appeal of
5 failure to act.

6 MR. BLOCK: It's not a granting of the permit.

7 No.

8 BOARD VICE CHAIRMAN CHESBRO: The permit wouldn't
9 be granted through our failure to meet the 60 days before?

10 MR. BLOCK: Right. The Permit Reform Act will not
11 mean that if you miss the time line the permit's
12 automatically granted. It affects the fees that have been
13 charged. We have our own provision, obviously.

14 BOARD VICE CHAIRMAN CHESBRO: Thank you.

15 MS. TRGOVCICH: In fact this may provide greater
16 incentive for LEAs to review the application within their
17 time frame.

18 BOARD CHAIRMAN HUFF: Okay. Any other questions?

19 Is there a motion?

20 BOARD MEMBER RELIS: Make the motion.

21 BOARD CHAIRMAN HUFF: Mr. Relis makes the motion.
22 Without objection we'll substitute the prior roll
23 call.

24 The ayes are six and noes are none, the motion
25 carries.

1 That takes us to Item 12.

2 MR. OKUMURA: Agenda Item No. 12 is for
3 consideration of the waste tire hauler registration program
4 emergency regulations.

5 Public Resource Code Section 42966 requires the
6 Board to adopt emergency regulations for the tire hauler
7 program.

8 This item will be presented by Mr. Garth Adams and
9 Ms. Charlotte Sabeh.

10 MS. SABEH: Good morning, Chairman Huff and Board
11 members.

12 The waste tire hauler emergency regulations are
13 being brought before you today for your consideration and
14 adoption.

15 The waste tire hauler statute requires that all
16 waste tire haulers operating in California must be
17 registered with the Board by January 1st, 1995.

18 Between the committee meeting on November 9th and
19 today's Board meeting language clarity and definition
20 changes of a nonsubstantial nature have been made to the
21 emergency regulations.

22 The revised package has been provided to all of
23 you.

24 These changes are shown in the traditional
25 strike-out for language deletions and red line for language

1 additions.

2 The emergency regulations address the following
3 sections of the waste tire hauler program.

4 Application form, bond form, the exemptions, the
5 registration process, and the manifest form and manifest
6 system.

7 I will briefly summarize highlights of the
8 emergency regulations.

9 The application form was brought before the Board
10 in September, at which time the form was approved.

11 The bond form was brought before the Board also in
12 September for approval with any Attorney General office
13 revisions.

14 The only revisions to the form originally approved
15 by the Board were those required by the Attorney General's
16 office to more completely bind the surety companies to the
17 Code of Civil Procedures.

18 The form was approved by the Office of
19 Administrative Law for printing and issuance on October
20 11th.

21 At its September meeting the Board directed staff
22 to initiate mailing the waste tire hauler registration
23 application and bond forms to known waste tire haulers
24 operating in California once the bond form had been approved
25 for issuance by Office of Administrative Law.

1 On October 26 staff completed the mailing.

2 A copy of the cover letter providing instructions
3 is included as Attachment 2 of this agenda item.

4 We have already been receiving applications for
5 waste tire hauler registration already. So we're
6 anticipating pretty good compliance on this program.

7 The exemptions from waste tire hauler registration
8 allowed under the statute are also set forth in the emergency
9 regulations.

10 The following registration process requirements
11 are set forth in the emergency regulations.

12 The initial and renewal waste tire hauler
13 requirements, the application requirements, and board
14 procedures for processing the application and issuing the
15 registrations, waste tire hauler registration denial.

16 The bases for denial are specified in the statute.

17 Waste tire hauler registrations suspension and
18 steps for reconsideration.

19 The bases for these action are also specified in
20 the statute.

21 The statute states that the Board shall develop a
22 waste tire manifest system and a waste tire manifest form.
23 So the regulations address those two issues.

24 The manifest portions of the emergency regulations
25 specify who shall comply, the information on the form

1 including instructions for completing the information on the
2 form, the manifest requirements for the waste tire haulers,
3 the waste tire destination sites and tire dealers or waste
4 tire generators.

5 The waste tire hauler bond form, the waste tire
6 hauler registration form, and the waste tire hauler manifest
7 form are included in the emergency regulations for you.

8 The final regulations which will be brought before
9 the Board next year will reflect changes and additions to
10 these emergency regulations based on public comment and the
11 workshops.

12 In addition the final regulations will incorporate
13 the compliance and enforcement sections of the program.

14 Staff ask Board to adopt Resolution No. 94-155 for
15 the waste tire hauler emergency regulations.

16 Staff also ask for Board direction to submit to
17 the Office of Administrative Law the waste tire hauler
18 emergency regulations with the finding of emergency and any
19 other documentation necessary.

20 Are there any questions?

21 BOARD CHAIRMAN HUFF: Any questions of staff?

22 I had one.

23 I notice in here that some activities engaged in
24 hauling tires are treated differently than all others and
25 that is those who are hauling tires in connection with

1 agricultural purposes.

2 MS. SABEH: That exemption is spelled out very
3 specifically in the statute. As you're referring to
4 carrying the manifest; right?

5 The statute specific states that agricultural
6 exemption haulers do not need to register, but they must
7 carry a manifest while hauling the tires, after which they
8 have been delivered the manifest may be destroyed. That's
9 practically word for word out of the statute.

10 BOARD CHAIRMAN HUFF: So we are treating
11 agriculture different but in this instance it's because the
12 statute says to treat agriculture different?

13 MS. SABEH: Yes.

14 BOARD CHAIRMAN HUFF: Okay. I don't have any
15 requests from anyone to speak on this, which in itself is an
16 achievement.

17 There anyone here who wishes to address this Board
18 on the question of the waste tire hauler regulations
19 emergency regulations?

20 Apparently is no one.

21 That's a good job done in itself, because staff
22 has worked to make sure that this is a program that works,
23 that the regulated community acknowledges will work and that
24 they can live with.

25 Okay. I'm ready for a motion.

1 Motion first on the neg dec, please.

2 BOARD MEMBER RELIS: I'll make the motion.

3 BOARD CHAIRMAN HUFF: Mr. Relis moves.

4 No. It's emergency. I'm sorry. It's emergency.

5 That's right.

6 I was one item behind on my cheat sheet.

7 It's a motion on the item itself.

8 Mr. Relis has moved it.

9 Without objection we'll substitute the prior roll
10 call.

11 The ayes are six, the noes are none, the motion
12 carries.

13 Another job well done on the part of staff.

14 Item 15, consideration of the CALMAX program
15 development options.

16 MS. FOX: Good morning, Chairman Huff and Board
17 member.

18 BOARD CHAIRMAN HUFF: That microphone, you're
19 either going to have to talk into it or --

20 MS. FOX: For the record I'm Mindy Fox, manager of
21 the Business Assistance Section.

22 This is Joyce Mason, CALMAX coordinator.

23 With that I'll turn it over to Joyce initially.

24 MS. MASON: Good morning, Chairman Huff and
25 members of the Board.

1 Because the Planning Committee has already heard
2 this item all the Board members have been briefed about it.
3 Speaking of brief, so will I be.

4 In summary with over one million businesses in
5 California CALMAX has the potential to divert significant
6 amounts of waste from landfills and act as a major tool for
7 market development.

8 However, large numbers cannot be realized without
9 a concerted marketing effort to make CALMAX a household word
10 among businesses and industries.

11 While we've done as much as any other materials
12 exchange in our diversion for the first three years, we've
13 not had the resources for the kind of marketing effort that
14 would enable us to gain maximum return on our CALMAX
15 investment.

16 One example is that CALMAX is now available on
17 computer by modem to scan contents of the database, which
18 contains even more listings than the catalog and to place
19 listings.

20 Very few businesses are aware of this powerful
21 tool or are using it. We want every business in California
22 to know that CALMAX is literally available at their
23 fingertips.

24 After gaining expert marketing advice, thanks to a
25 U.S. EPA grant, we believe that with a one- to two-year

1 marketing effort we can gain dramatic increases in CALMAX
2 participation and therefore in diversion.

3 This marketing effort would also positively impact
4 the development of the local materials exchanges. Already
5 by following our expert marketing advice we have tripled our
6 input in terms of CALMAX inquiries in a very short period of
7 time.

8 In an era of dwindling resources our
9 recommendation is to decentralize CALMAX, that CALMAX retain
10 a central role to operate the State's materials exchange
11 network, publish a catalog as long as it's needed, and give
12 technical assistance to local materials exchanges, but rely
13 on local material exchange programs or miniMAXes to do much
14 of the marketing of short distance exchanges.

15 Over five years we see the Board's dollars for
16 CALMAX decreasing year by year as local materials exchanges
17 do more marketing for materials exchange and feed into the
18 statewide system.

19 However, to achieve the reduction and resources
20 that we're talking about would require a temporary increase
21 in resources dedicated to marketing.

22 MS. FOX: We had promised after the last Planning
23 meeting to come back to the Board with an estimate of those
24 cost figures.

25 We've talked to three PR firms and we have had a

1 range given to us to implement all activities on your
2 attachment, which is page about 230 in your agenda packet.
3 The range is about 50,000 to \$100,000 to implement the full
4 marketing plan.

5 One firm indicated they would do all activities on
6 the marketing plan, plus a good dozen or dozen and a half
7 more aimed specifically at the business community,
8 specifically outreach via the LA Times, San Francisco
9 Chronicle, that kind of thing.

10 We have discussed a few possibilities, not many
11 actually, of how to fund that marketing effort.

12 One concept has been to use the old remaining DDB
13 dollars in the contract that ends at the beginning of May
14 '95.

15 And I'm very open to suggestions from Board
16 members for other means to fund this marketing plan if
17 approved.

18 So in sum that is our presentation.

19 We're recommending that you approve the expansion
20 plan, recommendation three on page 225 of your agenda
21 packet.

22 Do you have any questions?

23 BOARD CHAIRMAN HUFF: Questions of staff?

24 BOARD VICE CHAIRMAN CHESBRO: I'm very excited --

25 BOARD MEMBER NEAL: One comment.

1 Based on the comment that Mindy just made I will
2 remind the Board that the DDB funds were created for and
3 specifically directed to source reduction, public education.

4 And there has been an agreement, I think perhaps
5 informally, but that those funds should remain in tact for
6 that purpose and not be siphoned off for other kinds of
7 activities that were not specifically related to that
8 particular effort.

9 And I would heartily recommend that that remain
10 the case.

11 BOARD VICE CHAIRMAN CHESBRO: Mr. Chair.

12 BOARD CHAIRMAN HUFF: Yes. Mr. Chesbro.

13 BOARD VICE CHAIRMAN CHESBRO: First of all I'd
14 like to say that I think the overall plan to transition
15 CALMAX is very exciting and that the committee found it so
16 and that was approved.

17 And I think both the focus on existing local MAXes
18 and the focus on transitioning to electronic exchanges,
19 computer exchanges are both very good directions for us to
20 go and represent the way to create a long-term permanent
21 impact with CALMAX regardless of budgeting capabilities at
22 the Board level.

23 With regards to question of funding the marketing,
24 I can't imagine anything that's more consistent with what we
25 are trying to do under the Needham contract.

1 The definition of waste prevention that we carried
2 out there was broad. It involved a whole range of questions
3 including buy-recycled that focused on a variety of
4 different kinds of consumer responses that could help to
5 address the waste problem in the state with a source
6 reduction and waste prevention being a centerpiece.

7 I think the same thing applies to CALMAX. CALMAX
8 is very much waste prevention oriented.

9 I think the vast majority of exchanges that take
10 place, in fact we're not talking about materials that are
11 remanufactured, we're talking about materials that are
12 reused.

13 And you can't, I think, say that it's exclusively
14 waste reduction, but I think it very much -- every much
15 matches the definition as what's been done to date with the
16 Needham monies.

17 And my concern is that we need to find some
18 constructive ways to expend this money. And I don't know
19 and I haven't heard what other things there are that are
20 going on that need attention with these funds.

21 BOARD MEMBER NEAL: Let me respond to that.

22 When we looked at the money that was remaining in
23 that contract we specifically stated that of the \$400,000,
24 I'm not sure if it's an exact amount, be committed to the
25 business assistance and business assistance kits, because in

1 our entire source reduction effort, and I could debate all
2 day long about where CALMAX fits, whether it's reduction or
3 reuse activity, but we have focused primarily on consumers
4 and not business.

5 And we know that the business activities in this
6 state are huge generators of, for example, paper, which is
7 our largest problem in a landfill. And we had virtually not
8 put a lot of attention there.

9 So we came up with concept of doing the business
10 assistance kits and outreach to business.

11 Well, staff has been responsible for developing
12 the kits, they have held the amount to 200,000. I've not
13 really -- I'm not convinced that it only takes \$200,000 to
14 outreach and educate business in a state the size of
15 California and I would question whether that number has been
16 held at that point with a hope that the other funds could be
17 then diverted to support some other activities.

18 So my concern is that that entire amount that
19 originally was allocated to business and business assistance
20 kits remain there and serve that particular purpose.

21 MS. FOX: And it was not intentional to spend only
22 200,000. The printing didn't cost as much as initially
23 estimated.

24 BOARD MEMBER NEAL: I understand.

25 But let me say that that's fine and you know that

1 you have that amount committed to business kits and business
2 education.

3 And it's very difficult for me to believe that
4 there is nothing else that needs to be done to educate
5 business on source reduction.

6 MS. FOX: No. You're absolutely right. We can
7 continue to do more of that.

8 BOARD MEMBER HEIDIG: Mr. Chairman.

9 BOARD CHAIRMAN HUFF: Mr. Heidig.

10 BOARD MEMBER HEIDIG: Let me understand, Mindy.
11 You're talking about, your staff recommendation is a
12 five-year plan?

13 MS. FOX: Correct.

14 BOARD MEMBER HEIDIG: The first year is no new
15 money, because it would be a reallocation of existing monies
16 that have been contracted already to DDB Needham; is that
17 correct?

18 MS. FOX: No. We have a new contract for \$155,000
19 that was approved by the Board in August.

20 On top of that we are hoping to get anywhere from
21 50 to 100 thousand dollars to implement this marketing plan.

22 BOARD MEMBER HEIDIG: For this year?

23 MS. FOX: Right. And it will probably take the
24 entire effort of marketing will last longer than 12 months.

25 BOARD MEMBER HEIDIG: Right. And that's what you

1 sketched out in this five-year plan?

2 MS. FOX: Yes.

3 Then by year two --

4 BOARD MEMBER HEIDIG: Where are you expecting this
5 50 to 100 thousand dollars to come from?

6 MS. FOX: One thought was with that old DDB
7 Needham account money.

8 BOARD MEMBER HEIDIG: So it would cost nothing
9 that we haven't already spent in this year; is that correct?

10 MS. FOX: Can you rephrase that?

11 BOARD MEMBER HEIDIG: We have already committed to
12 the \$155,000?

13 MS. FOX: Correct.

14 BOARD MEMBER HEIDIG: In the DDB Needham. And
15 then we have the old one?

16 MS. FOX: No. In fact 155 is with the Local
17 Government Commission. It's the contractor to implement
18 CALMAX.

19 BOARD MEMBER RELIS: So it's the 50 --

20 BOARD CHAIRMAN HUFF: That's still, it's out of
21 our minds because we have --

22 MS. FOX: Right.

23 BOARD MEMBER HEIDIG: It's already there. So
24 there's new money this year?

25 MS. FOX: Right.

1 BOARD CHAIRMAN HUFF: Potentially.

2 BOARD MEMBER EGIGIAN: If you don't get money from
3 the DDB Needham deal who are you going to get it from?

4 MS. FOX: I'm not sure. I'm looking for ideas.

5 BOARD VICE CHAIRMAN CHESBRO: Well, I'm not locked
6 into coming from that source, but I do think a very good
7 proposal has been put before us and we ought to try to find
8 some funding source.

9 The overall program was accepted with enthusiasm.

10 BOARD MEMBER HEIDIG: I think it's a good proposal
11 too.

12 BOARD VICE CHAIRMAN CHESBRO: I didn't realize you
13 weren't finished. I apologize.

14 BOARD MEMBER HEIDIG: The question I have is year
15 two, three, four and five where does the money come from and
16 if we were to make staff's recommendation are we committing
17 the Board to an expenditure in those years from someplace
18 else?

19 I mean are we saying, yeah, go to it, try to find
20 funding or are we saying, yeah, we're going to make this
21 commitment from other things that are being funded now?

22 BOARD CHAIRMAN HUFF: Actually I think the staff
23 has good news for you.

24 MS. MASON: Yes. If I can respond to that for a
25 moment.

1 What year one, two, three, four and five is
2 referred to in here is what contract dollars we would need
3 to continue our ongoing work with the program under contract
4 with the Local Government Commission or whoever would be our
5 contractor to implement it on a everyday basis.

6 So what we're looking in each of those years is by
7 doing this big marketing effort for a year or 18 months and
8 getting a lot of new participation we're looking that there
9 be more minimAXes and more the pressure will be off the
10 Board to fund this program.

11 Every year will have a smaller contract request
12 than we did the year before.

13 The first year after we asked for 155 this year, I
14 think we said 150 the second year and less each year
15 dwindling down.

16 BOARD CHAIRMAN HUFF: The plan is to spend now and
17 save later as compared to the status quo.

18 BOARD MEMBER HEIDIG: This will come back to the
19 Board next year for authorization of monies?

20 MS. MASON: Every year so far we've been
21 contracting out many of the day-to-day activities of CALMAX,
22 including the production of the catalog and the ongoing
23 keeping of the database to a contractor because for many
24 reasons that works well for us. And so every year this
25 comes back to the Board for refunding.

1 BOARD MEMBER HEIDIG: I trust that Mr. Chandler
2 will be working with Mr. Byrne to try to even better
3 coordinate our programs with DOR to squeeze other dollars
4 out.

5 EXECUTIVE DIRECTOR CHANDLER: Very good
6 suggestion.

7 And as you heard in my opening remarks that's
8 public education and outreach and waste reduction as well as
9 recycling.

10 BOARD MEMBER HEIDIG: Priority number one.

11 EXECUTIVE DIRECTOR CHANDLER: One of the MOAs
12 we're working on.

13 BOARD CHAIRMAN HUFF: They are becoming good buds.

14 BOARD MEMBER EGIGIAN: Mr. Chairman.

15 BOARD CHAIRMAN HUFF: Yes, Mr. Egigian.

16 BOARD MEMBER EGIGIAN: I don't have any great love
17 or dislike for CALMAX, because it's something that works
18 only on a local level.

19 However, Mrs. Neal made a good argument and about
20 the education to industry, and which is very little has been
21 done.

22 So if we have money there I'm for spending it for
23 educating industry that is making possible all reduction of
24 the material going into the landfills by if no other means
25 by deinking or whatever else they do to paper or whatever.

1 I can't go along with this thing on the basis that
2 money come from the DDB Needham money that's waiting over
3 there.

4 BOARD MEMBER RELIS: I'm a little confused,
5 myself. This came out of committee, 3-0?

6 BOARD MEMBER NEAL: Yeah.

7 BOARD MEMBER RELIS: There is a vote made on the
8 source of funding?

9 BOARD MEMBER NEAL: There was no discussion on
10 source of funding.

11 BOARD CHAIRMAN HUFF: Actually, alternative three
12 does not specify the source of funding; does it?

13 MS. FOX: Right. We were just told to look into
14 it and report back.

15 BOARD VICE CHAIRMAN CHESBRO: Overall
16 recommendations do not include the question --

17 BOARD MEMBER NEAL: Committee has not even had a
18 chance to discuss the source of funding.

19 BOARD CHAIRMAN HUFF: That might even be an
20 appropriate discussion for Admin Committee.

21 BOARD MEMBER RELIS: I mean if the source isn't
22 clarified maybe rather than deal with it today should it go
23 back?

24 BOARD CHAIRMAN HUFF: I think that we can support
25 or change whatever option is before us in terms of the

1 concept of the program. I think that's what is important is
2 what are we going to do with CALMAX.

3 The staff's first sentence here is that CALMAX is
4 at a crossroads.

5 Well, let's deal with that and then let's figure
6 out to deal with the finances. We have got a little bit of
7 time to deal with the financial question.

8 The executive office, the Administration
9 Committee, can work with those --

10 BOARD MEMBER HEIDIG: That's --

11 BOARD CHAIRMAN HUFF: That's why we pay them the
12 big bucks.

13 BOARD VICE CHAIRMAN CHESBRO: Unfortunately we got
14 off on this question about whether it should be just from
15 this particular source and I don't think that that is
16 central -- that is not what we discussed at the committee.

17 BOARD MEMBER NEAL: And I don't even think it was
18 appropriate for staff to bring that up at this point in
19 time.

20 BOARD VICE CHAIRMAN CHESBRO: So what I say is
21 that -- well, we did direct staff, let me say that we did
22 direct staff to go out and look at this and try to seek
23 funding.

24 On the other hand it's obvious we're not prepared
25 to direct that.

1 And so I think what we need to do is approve this
2 thing conceptually and then have further discussion about
3 funding sources for that piece of it, that one piece that is
4 unfunded at this point, which is the, what's the word for
5 it, the expanded promotion of the --

6 BOARD CHAIRMAN HUFF: Are you making a motion?

7 BOARD VICE CHAIRMAN CHESBRO: Yes. That's my
8 motion.

9 To approve the conceptually and refer the question
10 of funding for the expanded promotion of the program back to
11 committee, back to the Local Assistance and Planning
12 Committee.

13 BOARD CHAIRMAN HUFF: Okay. Is there any
14 discussion on the motion?

15 BOARD MEMBER RELIS: So we are approving it
16 conceptually, that's the crossroads?

17 BOARD VICE CHAIRMAN CHESBRO: I think the most
18 important issue here is the expansion plan, the question of
19 the media promotion thing we have to deal with in a concrete
20 way.

21 BOARD CHAIRMAN HUFF: The money might be more
22 appropriate discussed in the Admin Committee, since it would
23 be across all Board.

24 You're a member of that committee, Mr. Chesbro.

25 BOARD MEMBER HEIDIG: I think I'm in favor of it

1 conceptually. I think it's a thoughtful process. I think
2 we should look at it fiscally too, though, and how it fits
3 into the program.

4 BOARD VICE CHAIRMAN CHESBRO: Well --

5 BOARD MEMBER HEIDIG: I'm prepared to support it
6 today, but I think that it's important that we take a look
7 at it from that, put it in fiscal terms.

8 BOARD MEMBER NEAL: Are we starting some new
9 precedent here now? I think this would be the first time we
10 made this kind of a referral to Admin Committee.

11 BOARD CHAIRMAN HUFF: If you don't want to do that
12 we can support the concept now.

13 BOARD MEMBER NEAL: I think --

14 BOARD CHAIRMAN HUFF: Unspecified.

15 BOARD MEMBER NEAL: I think it's appropriate to
16 support the concept now.

17 This is a program that falls under the
18 jurisdiction of the Local Assistance and Planning.

19 BOARD MEMBER HEIDIG: All I'm saying is I think
20 it's important for staff to realize the fiscal implication.

21 BOARD MEMBER NEAL: I agree with that.

22 BOARD VICE CHAIRMAN CHESBRO: Obviously. I think
23 that's true.

24 Let's vote on the motion as it is.

25 BOARD CHAIRMAN HUFF: Okay.

1 BOARD SECRETARY KELLY: Is the motion with the
2 committee or without the committee?

3 BOARD VICE CHAIRMAN CHESBRO: With the committee.

4 BOARD CHAIRMAN HUFF: The motion is with the
5 committee.

6 BOARD SECRETARY KELLY: Unnamed committee?

7 BOARD CHAIRMAN HUFF: No.

8 BOARD VICE CHAIRMAN CHESBRO: Local Assistance and
9 Planning.

10 BOARD SECRETARY KELLY: Okay.

11 Board Member Chesbro.

12 BOARD VICE CHAIRMAN CHESBRO: Aye.

13 BOARD SECRETARY KELLY: Egigian.

14 BOARD MEMBER EGIGIAN: Aye.

15 BOARD SECRETARY KELLY: Heidig.

16 BOARD MEMBER HEIDIG: Aye.

17 BOARD SECRETARY KELLY: Neal.

18 BOARD MEMBER NEAL: Aye.

19 BOARD SECRETARY KELLY: Relis.

20 BOARD MEMBER RELIS: Aye.

21 BOARD SECRETARY KELLY: Chairman Huff.

22 BOARD CHAIRMAN HUFF: Aye.

23 Motion carries 6-0.

24 MS. FOX: Thank you.

25 MS. MASON: Thank you very much.

1 BOARD CHAIRMAN HUFF: That takes --

2 BOARD VICE CHAIRMAN CHESBRO: Before we leave it I
3 want to do another staff compliment. I think a lot of work
4 has been going into trying to move this thing along and I
5 just wanted to really congratulate the continued enthusiasm
6 and energy that this program reflects, a successful program.

7 BOARD CHAIRMAN HUFF: That's Item 21 now, biomass.
8 This is an oral report.

9 MR. GORFAIN: Mr. Chairman, Martha Gildart will
10 give you a status report on staff's work on this issue.

11 MS. GILDART: Good morning, Chairman, members.

12 This is an update on the staff activities and
13 investigating the PUC proposal to deregulate the electric
14 utility industry.

15 At its October meeting the Board had directed the
16 staff to investigate the process by which the Board could
17 make its concerns known on the waste management impacts and
18 to find out what other agencies are doing.

19 We were also directed to revise the draft letter
20 that had been prepared for the PUC and to change the format
21 to an issue memo.

22 We were also working to refine our data gathering
23 and the impact assessment.

24 As for the process, the state agencies have been
25 directed by the Governor's office to coordinate their

1 comments on the PUC proposal.

2 For our agency, California EPA is the lead, and my
3 understanding is that Dr. Richard Green of Cal EPA will be
4 meeting with Chairman Fessler in the coming month and we
5 will probably get direction from that meeting.

6 The California Energy Commission is convening a
7 collaborative of state agencies, biomass processors, plant
8 operators, utility operators and their first meeting is
9 scheduled for December 13th and we will be taking part in
10 that meeting.

11 The legislative joint oversight committee, which
12 we mentioned last month, had a meeting in October, but it
13 cancelled its November 10t meeting.

14 My understanding is that this has to do with the
15 results of the election and the shift in the chairmanship of
16 these committees.

17 We have not heard if there's any plan to
18 reschedule that committee.

19 Staff is revising the letter. It will become an
20 issue memo. We are planning to merge sections of the
21 background paper that was a part of the Board agenda item
22 last month into the letter to make a more complete issue
23 paper, which would be appropriate for distribution to
24 various state agencies or the PUC explaining the Board's
25 concerns and impacts on waste management.

1 BOARD CHAIRMAN HUFF: When do we expect to have
2 that, roughly?

3 MS. GILDART: I would say the middle, early
4 December. First week or so we can have something for
5 review.

6 BOARD VICE CHAIRMAN CHESBRO: Is there a lot
7 different than what was before us last month in terms of
8 content?

9 MS. GILDART: Not a lot.

10 BOARD VICE CHAIRMAN CHESBRO: I'm kind of
11 surprised this has turned into an elongated process. I
12 thought we were just going to change the format and take off
13 dear so and so and turn it into a statement of policy issues
14 as opposed to a letter to someone.

15 So I'm a little surprised.

16 MS. GILDART: We felt that if the letter were
17 going to a wider audience than just the PUC that there
18 should be a little additional background to support some of
19 the claims or the concerns.

20 And it's partly a matter of refining some of the
21 data, what we've learned recently in trying to assess
22 impacts.

23 If there is a desire on the part of the Board for
24 us to have it sooner that would be --

25 BOARD CHAIRMAN HUFF: I think that there is.

1 MS. GILDART: When do you want it?

2 BOARD CHAIRMAN HUFF: Well, prior to the first of
3 the month. I know Thanksgiving sort of takes a bite out of
4 next week.

5 BOARD VICE CHAIRMAN CHESBRO: So to speak.

6 MS. GILDART: A vegetarian bite; right?

7 BOARD VICE CHAIRMAN CHESBRO: I was going to say
8 something about turkey, but I'm glad you spoke first.

9 MS. GILDART: Where was I?

10 As far as the letter, it will be ready for your
11 review November 30th.

12 As far as the work on data gathering we received
13 comments last month on the draft letter on the data in the
14 letter which had implied there were errors.

15 We have looked into that matter. The figure in
16 question was the 825,000 ton per year figure, which was
17 published in a 1993 document by the Biomass Producers
18 Association.

19 We feel that is an accurate quote.

20 However, we have learned that the data came from a
21 1990 survey conducted by the California Energy Commission.

22 Therefore, I think it gives greater credence to a
23 tripling of the amount between 1990 and 1994. Before it was
24 implying that it had tripled between '93 and '94.

25 So the two and a quarter million ton figure, which

1 is the high end, I believe has been given some validity by
2 that explanation. And we're going to incorporate that into
3 the issue paper.

4 We have also interviewed several processors and
5 there is a general consensus that they are all already
6 experiencing a falloff in the amount of material that they
7 are diverting to biomass plants.

8 There is a example here in our own region.

9 The Ultra Power Plant in Rocklin, Placer County,
10 was a 27 megawatt plant, it's had its contract bought out by
11 PG&E. It had been handling about 185,000 tons per year of
12 urban wood waste and agricultural waste.

13 A local processor came and industry has had
14 supplied something like 65,000 tons a year to that facility,
15 which they are no longer doing. That material is going
16 mostly to landfill.

17 They are looking at composting possibilities, but
18 they feel the compost market is pretty much full, that there
19 isn't that much more ability to absorb wood waste.

20 There was also another local industry, wood
21 industries we've talked to. They had been supplying 80,000
22 tons a year to the Ultra Power Plant in Fresno, which has
23 also curtailed operation. It is actually still operating,
24 but it's cut back on its operation.

25 That group is actually looking into the

1 possibility of ethanol production as a alternative
2 destination for that wood waste.

3 One of the things that staff has been trying to
4 work with is the economic impact. We are going to be
5 looking at whether there's a way of splitting out the
6 various social programs that have been mentioned before,
7 what are the cost supports provided to things like lifeline,
8 conservation programs, maintaining diversity of energy
9 based, how much out of that the biomass plants represent.

10 As two percent or so of the generating capacity
11 within the state it's hard to believe that they could be
12 driving the higher electrical rates the State experiences.
13 So we're going to try to split those out.

14 We had also done sort of real rough,
15 back-of-the-envelope calculation trying to understand the
16 relative magnitudes of the costs.

17 If we look at the biomass plants which burn urban
18 wood waste and hold standard offer number fours that we
19 believe are at risk, it comes to 320 megawatts of capacity.
20 That's out of over 800 total for biomass.

21 That 320 megawatts, if you assume it has sort of a
22 built-in support right now of six cents a kilowatt hour, the
23 differential between nine cents that they were getting and
24 the three cents they may be getting comes to roughly \$140
25 million a year. You might think of as subsidy.

1 If you look at the two and quarter million tons
2 that's being consumed by those plants, and as Chairman Huff
3 had suggested, assume it goes to new landfill disposal at
4 \$50 a ton, comes to about \$110 million annual cost.

5 These are the two costs being borne by the State.
6 Obviously there are very very narrow definitions of the
7 problem, but it's interesting to see the relative magnitude
8 are so close of these two operations that perhaps there
9 isn't that much of a cost savings to the State to close down
10 the biomass plants if in that increased disposal cost is
11 going to wipe out the savings.

12 At this point if there's any questions we'd be
13 happy to answer them.

14 I know there are people here who want to speak on
15 the issue.

16 BOARD CHAIRMAN HUFF: Any questions?

17 BOARD MEMBER RELIS: Have there been any
18 additional closures or conversions since our last report?

19 MS. GILDART: No closures that I'm aware of,
20 though there may have been some additional curtailments.

21 Some plants will reduce to maybe 80 percent
22 operating capacity. Those seem to be happening a little
23 more frequently.

24 BOARD CHAIRMAN HUFF: Okay. Any other questions?

25 I have three requests to speak.

1 I'm going to murder the first name, Peter. Peter,
2 where are you? Help me.

3 MR. ASMUS: Asmus.

4 BOARD CHAIRMAN HUFF: Asmus.

5 MR. ASMUS: That wasn't too bad of a murder of my
6 name.

7 BOARD CHAIRMAN HUFF: No. I'm going to have to
8 get glasses I guess.

9 MR. ASMUS: My name is Peter Asmus and I'm an
10 energy, environmental policy consultant. I'm representing
11 the Local Government Commission today.

12 And I only have one copy of my testimony. I don't
13 know if that helps.

14 BOARD CHAIRMAN HUFF: Give it to staff.

15 MR. ASMUS: Over the past few months the Waste
16 Board here has certified many AB 939 plants, showing that it
17 looks like we're going to meet the 25 percent diversion goal
18 for 1995 and that the Local Government Commission applauds
19 the work of both the Board and local governments to meet
20 these goals.

21 However, the unveiling of this radical plan to
22 deregulate the production and sale of electricity in the
23 state by the Public Utilities Commission raises some
24 questions as to whether we can meet the goal of the year
25 2000 of the 50 percent diversion.

1 And this CUP plan has come under attack from a
2 broad coalition including independent energy producers,
3 electric utility shareholders, unions, advocates for
4 minorities, the elderly and the poor, environmentalists, as
5 well as timber companies because among other things they do
6 threaten the biomass power plant operators.

7 As I guess you already know that there have been
8 five plants that have been shut down and California at
9 present has the largest amount of wood waste and the second
10 largest amount of agricultural waste, electric generating
11 capacity in the nation.

12 But there's some fear that the remaining plants
13 are in deep jeopardy because the plan seems to focus solely
14 on promoting cheap electricity.

15 And along with the biomass, the one thing that
16 maybe hasn't come out as much, this could also impact
17 composting because a lot of composting facilities were
18 originally subsidized or developed because of these biomass
19 plants and that's one of the main concerns of the Local
20 Government Commission.

21 Although there is some help, there was a recent
22 law passed, you probably know, a Byron Sher bill, that
23 allows biomass facilities to count for ten percent of the
24 diversion credit toward the 50 percent goal.

25 But there's also this impact on composting that I

1 think the Board should be aware of.

2 Already there's been some declines in the value of
3 composting material since this plan has been unveiled.

4 As you mentioned in your testimony there is the
5 joint oversight committee, the information I have has
6 rescheduled hearings particularly looking at what they call
7 utility stranded investments, which would include biomass
8 facilities. Those hearings will be occurring on December
9 8th and 9th.

10 And I think this is an important opportunity for
11 the Board, as well as local governments, to communicate what
12 is at stake in terms of California's waste management goals
13 if those biomass facilities continue to be closed down.

14 In addition, Senator Tim Leslie has held some
15 hearings and has expressed ~~an~~^a interest in carrying
16 legislation to help protect biomass power plants and that
17 might be something that you might want to follow up on and
18 see. At this point it's unclear what he's actually going to
19 propose, but I understand that he expressed an interest in
20 helping out the biomass power plants.

21 Also, there's a group called the Center for Energy
22 Efficiency and Renewable Technologies, which is developing
23 an alternative proposal to the CPUC approach.

24 And among the goals of this alternative proposal
25 is to protect renewable resources, which could include

1 biomass.

2 This proposal is still under development, but it
3 is gathering widespread interest among a diverse coalition
4 including industrial users and perhaps state and local
5 governments might want to find out more about some of these
6 alternative proposals.

7 The main news that has come out is that the PUC
8 plan is now being called a staff proposal. They are
9 distancing themselves a little bit from the original
10 proposal. So there's some talk of some alternative and some
11 modifications that can be made.

12 There also be a hearing in San Francisco, the
13 Public Utilities Commission on December 14, also looking at
14 what are called stranded investments. And that might be
15 another opportunity.

16 What the Local Government Commission would want is
17 calling upon Cal EPA and the Waste Board to communicate to
18 the Public Utilities Commission that the electric utility
19 should stop the practice of buyouts and curtailment
20 contracts for existing power plants.

21 As some people have called what is going on
22 virtual restructuring.

23 A lot of things are happening before even the
24 final proposal is final so it's sort of like restructuring
25 is happening in piecemeal fashion and there's some concern

1 that this should be halted while we get a final report.

2 The PUC has agreed to do an environmental impact
3 report when its proposal is finalized, but at present it's
4 taking actions where there is no environmental impact
5 statement being prepared.

6 Local Government Commission calls upon the Board
7 to quantify the detrimental effects of the closure of these
8 facilities and associated composting facilities and urge you
9 to sign the draft letter that you were discussing as soon as
10 possible, because although the final proposal is not on the
11 table there's been series of actions that have been taken
12 that are already harming composting facilities as well as
13 biomass.

14 And that concludes my comments.

15 BOARD CHAIRMAN HUFF: Any questions?

16 BOARD VICE CHAIRMAN CHESBRO: Well, just I
17 think --

18 BOARD CHAIRMAN HUFF: Mr. Chesbro.

19 BOARD VICE CHAIRMAN CHESBRO: It should be pointed
20 out that in case you didn't already know that I guess Cal
21 EPA had asked that the Board coordinate and not go an
22 independent route. And that appears to have prevented a
23 direct impact at this point in terms of Board statements.

24 But I think as a result of the action we did take
25 last month at the Board meeting there is to be an

1 independent policy statement, which is what we were just
2 talking about so that there would be a document that
3 identifies issues that are of concern to the Board.

4 MR. ASMUS: Okay.

5 BOARD VICE CHAIRMAN CHESBRO: From my standpoint
6 that's very important to have that put forth even if the
7 Board officially is going through Cal EPA for its input.

8 MR. ASMUS: To the PUC.

9 BOARD VICE CHAIRMAN CHESBRO: Yeah.

10 Of course, if it were up to me as a legislative
11 appointee I'd rather see us doing this independently, but,
12 you know, that's not necessarily in the cards here.

13 But I do think having a statement that clearly
14 identifies the issues from a waste diversion and waste
15 management standpoint will be useful.

16 MR. ASMUS: No. I think that is definitely going
17 to be useful. Whatever you can do.

18 BOARD CHAIRMAN HUFF: Ms. Neal.

19 BOARD MEMBER NEAL: Nothing other than I would
20 agree with what Mr. Chesbro just said, that so at least we
21 have something while Cal EPA is out doing whatever they are
22 going to do. Hopefully it won't be chasing their tail like
23 they usually do.

24 BOARD CHAIRMAN HUFF: Thank you.

25 I also have a request from Evan Edgar.

1 MR. EDGAR: Evan Edgar.

2 BOARD CHAIRMAN HUFF: More poetry, Mr. Edgar?

3 MR. EDGAR: Of course. I'm the urban poet.

4 Representing the California Refuse Removal
5 Council, on behalf of the MRF operators, transfer station,
6 and landfills who have diversion programs for urban wood and
7 who chip and grind urban wood waste into biomass fuels I'm
8 here to speak about the issue of question.

9 This issue will not go away. This is a second
10 Policy Committee, the second Board meeting. I will not go
11 away. I am not --

12 BOARD VICE CHAIRMAN CHESBRO: We wouldn't want you
13 to.

14 MR. EDGAR: I am that mosquito, the biomass
15 mosquito. Mr. Huff has been talking about that we keep on
16 buzzing. Hopefully you can do something about this.

17 Since San Jose a lot has happened. We buried
18 another 9,000 tons of wood waste in one landfill, one of my
19 clients.

20 Another client lost another \$77,000 worth of
21 revenue from the sale that was used to subsidize public
22 education, resource reduction, recycling programs.

23 Biomass fuel production in these wood chips were
24 kind of like the organic, the aluminum cans of organics.
25 That was a cash cow that was used to fund other recycling

1 programs.

2 Those other recycling programs are suffering due
3 to the fact that we no longer have that revenue available to
4 help out the entire recycling infrastructure.

5 The last I heard Sher cancelled his oversight
6 committee. I don't think that has been rescheduled.

7 Another landfill has got off the demonstration
8 project and is actually using wood chips as alternative
9 daily cover in Monterey County.

10 And we had an election since San Jose.

11 Some of my guarded optimism I talked in the Policy
12 Committee has faded. I'm not as optimistic as I was last
13 week in Policy because of these issues I just talked about.

14 Meanwhile, I believe that this letter is getting
15 lost in the hallways of the Cal EPA.

16 But other people are taking action.

17 The San Joaquin Valley Unified Air Pollution
18 Control District has a letter out of Fresno that went to the
19 PUC.

20 Another air district out of Quincy sent a letter
21 to the PUC.

22 Meanwhile this Board letter has been accelerated
23 to December 1st and maybe we can discuss it at the next
24 Board meeting in December. Maybe not. But I look forward
25 to it.

1 Another issue has arose at the last Policy
2 Committee meeting, which I mention, was there in statute
3 there is an annual review of the nonyard wood waste report
4 and this nonyard wood waste report was adopted by the Waste
5 Board a couple months ago.

6 The update is due on March 31st, 1995.

7 This report will need to be updated to reflect the
8 amount of wood waste not being diverted anymore, the
9 economic and environmental impacts and the conditions in the
10 industry right now.

11 I believe the next four months -- I believe staff
12 would have adequate time to prepare this update to reflect
13 current conditions.

14 I believe this report could be used in the next
15 legislative session, be a lot of good information reflecting
16 current conditions, that by March 31st I believe that this
17 information will be critical to have that available at the
18 Capitol.

19 CRRC recommends today to authorize the chairman to
20 sign the four-page letter to the PUC.

21 And, second, to prioritize the nonyard wood waste
22 report to be updated by March 31st, 1995, to reflect the
23 current conditions at that time, because today is still
24 moving. By March 31st it could be a whole new set of
25 conditions out there that would need to be incorporated into

1 this report.

2 So on behalf of the industry, on behalf of the
3 emotional testimony that you received in San Jose, CRRC
4 recommends that Waste Board take immediate action today.

5 Thank you.

6 BOARD CHAIRMAN HUFF: Any questions?

7 BOARD MEMBER NEAL: I move we take immediate
8 action today.

9 BOARD CHAIRMAN HUFF: Is that a motion?

10 Mr. Judd.

11 MR. JUDD: Thank you, Mr. Chairman.

12 We'd like to express our thanks to staff. Members
13 of our team from the biomass power industry have had an
14 opportunity in the last week to deal with Ms. Gildart on the
15 data questions that we raised before and we feel that we're
16 moving much closer to a satisfactory resolution of that
17 issue.

18 We look forward over the next few weeks to
19 continue that interaction so that the draft of the issues
20 memo that you get by the end of the month is satisfactory to
21 the industry that handles the waste itself.

22 Today I'd like to raise a question, probably one
23 that's been in your minds as well.

24 Testimony has been heard at Policy Committee twice
25 now. I believe up to ten people have shown up at Policy

1 Committee meetings, taken time away from their employment to
2 give comments on this.

3 This is now the second time the Board has heard
4 this issue.

5 The question that arises is whether this issue is
6 significant enough to warrant the commitment and
7 perseverance that will be needed by this Board in order to
8 protect its mandate.

9 It strikes me, to steal a line from Evan's
10 testimony at the last Policy Committee meeting, if two and
11 quarter million tons of unanticipated urban waste were to
12 show up on your doorstep in another guise sent from Arizona,
13 or from wherever you might choose, this Board would be
14 ballistic of having to deal with that new volume of waste
15 because it would recognize that achievement of the State's
16 waste management goals would be moving backward rather than
17 forward if that new volume of waste were to come landfills.

18 Much is because it shortens the life of landfills
19 statewide and shortens it appreciably in certain areas, but
20 simply because it make attaining the goals of 939 much more
21 difficult.

22 So is it a big issue? Yeah. I think it is.

23 If the state landfills now take about 30 million
24 tons of waste a year, I don't know what the right number is,
25 but if it was 40 in 1990 and it's been reduced 25 percent,

1 it may be 30 or 32 now, and you add two and quarter million
2 tons plus whatever incremental addition you would get from
3 agriculture if these plants closed down, and certain
4 segments of agriculture won't go back to open field burning,
5 it's about an eight percent add-on at a time that local
6 governments are trying to go from 25 to 50 percent in their
7 goals.

8 So it's a big issue. It's as big as any issue I
9 think you have on your plates right now.

10 And for that reason I believe that it warrants
11 both attentiveness and action on your part.

12 There are four impacts that we identify.

13 One is, as I described before, two and a quarter
14 million tons of wood waste currently diverted from landfill
15 basically hasn't a home without the biomass plants.

16 If they don't come to our plants it will go to
17 landfill except for some small fraction that may find an
18 alternative use.

19 Second impact extremely difficult for AB 939 to
20 succeed and unavoidable for the Board itself to be seen as a
21 successful entity if AB 939 goals aren't achieved.

22 Landfill capacity will be depleted rapidly.

23 As you've heard in the previous hearings the waste
24 gatherers, the processors, the transporters, will face a
25 difficult future. There are 200 businesses out there that

1 sprung up because of biomass plants sprung up. They gather
2 and process and deliver our fuel.

3 We pay them \$250 million a year for fuel. If
4 we're not buying fuel from them many will be forced out of
5 business as their anticipated revenue fails to provide
6 enough revenue to cover debt service and O and M costs.

7 Secondly you will see jobs lost and as
8 importantly the infrastructure of waste management will be
9 undermined.

10 I believe Evan and Peter also commented on the
11 effect on the compost industry.

12 If the fines aren't there for processing wood
13 waste for use as fuel there is less material also available
14 for composting and not enough businesses for the processors
15 to stay in business just to serve the composters.

16 There have been no opposing voices to the Board's
17 active participation in this issue.

18 While we recognize that conflicting mandates
19 between state agencies need to be handled sensitively, we
20 also strongly believe that the Board has an inescapable
21 obligation to go on record on this most significant issue.

22 ~~Being well~~ informed is not enough. Working behind
23 the scenes with other affected state boards and agencies,
24 while important, is not enough.

25 And in this instance we believe that the Board

1 must actively defend its mandate in light of the proposal
2 from the PUC albeit innocent in intent on the PUC's part.
3 We are left with an impact from their proposal that upsets
4 the mandate of this Board and the constituents it serves.

5 We continue to urge you to vote in unanimous
6 approval a motion to draft and send a formal letter of
7 concern to President Fessler at the Public Utilities
8 Commission itemizing the areas in which this Board's mandate
9 is impacted and to ask him for a response.

10 We urge you also to actively participate in the
11 ongoing meetings among other state boards and agencies with
12 the goal of negotiating a modification to the PUC proposal
13 that protects the biomass industry and its extended family.

14 And while we realize that it's hard to derive such
15 a broad force, we would hope that the resolution among state
16 agencies as to how to work with the PUC to negotiate a
17 modification could be complete within 60 days.

18 And finally we would ask that the Board establish
19 a procedure to report back to us and the others in your
20 constituency on this biomass issue by making this issue a
21 standing item at each Policy Committee and Board meeting
22 until it is satisfactorily resolved, so that progress is
23 noted and we can both keep you informed of what the
24 industries are doing and you can let us know what's
25 happening at the state level.

1 We hope that your good intentions are reflected by
2 effective actions in the future and stand ready to answer
3 any questions that you may have.

4 BOARD CHAIRMAN HUFF: Any questions of the
5 witness?

6 None.

7 Thank you.

8 Well, in response to what various have said, and
9 first of all, Mr. Egigian, I assume that you're going to
10 keep this as an item in front of your Policy Committee?

11 BOARD MEMBER EGIGIAN: We certainly are,
12 Mr. Chairman.

13 BOARD CHAIRMAN HUFF: Okay.

14 BOARD MEMBER EGIGIAN: I like some of the
15 suggestions that have been made this morning, especially
16 recently.

17 If we can, without doing the wrong thing, I'd like
18 that letter to be sent from the Board to the PUC.

19 BOARD CHAIRMAN HUFF: Well, I'm reluctant to agree
20 to that course prior to knowing the outcome of the meetings
21 which have been scheduled. I think it would be premature.

22 But at the December Board meeting we would be
23 operating with more information.

24 Where is Martha?

25 When is the meeting that Green is going to have?

1 MS. GILDART: I was told it was early December. I
2 didn't get a date.

3 BOARD MEMBER NEAL: May I?

4 BOARD CHAIRMAN HUFF: Yes, Ms. Neal.

5 BOARD MEMBER NEAL: I would agree with
6 Mr. Egigian. I think it's entirely appropriate to send that
7 letter.

8 I think that my sense of what's going to occur in
9 the meeting is that state agencies would get together to try
10 to resolve the issue.

11 However, our position is still our position. I
12 don't think that the intent of the meetings is to alter our
13 position.

14 And so I think it is entirely appropriate for us
15 to formally state out front what our position is.

16 BOARD CHAIRMAN HUFF: Okay. Well, if there is a
17 motion we can vote on that.

18 BOARD VICE CHAIRMAN CHESBRO: You two are just
19 going to have to stop agreeing so much.

20 BOARD CHAIRMAN HUFF: But like I said, absent a
21 direction from the Board that we send the letter I think
22 that it's premature prior to some of these things that we
23 anticipate happening in early December.

24 We are preparing the fact sheet, the information
25 sheet, that will be available at the first of the month.

1 This November 30th in fact.

2 And we do have the mechanism to keep the
3 interested stakeholders informed through both Policy
4 Committee and full Board meeting, putting this item on the
5 agenda, which we will do.

6 BOARD MEMBER RELIS: Mr. Chair.

7 BOARD MEMBER NEAL: Can I just --

8 BOARD CHAIRMAN HUFF: Yes, Ms. Neal.

9 BOARD MEMBER NEAL: Are you perhaps anticipating
10 then that our position might be changed from whatever will
11 happen in December?

12 BOARD CHAIRMAN HUFF: I'm not sure I know what to
13 anticipate in this issue. This issue already has not
14 developed in the way that was forecasted to develop.

15 There is a perceptible slowing down in the issue.
16 There is a perceptible shifting on the part of the PUC and
17 there is a rising opposition to the proposal.

18 And I'm not prepared to forecast exactly what turn
19 this debate will have.

20 And I'm not ready to forsake internal channels at
21 this point in time.

22 BOARD MEMBER RELIS: Mr. Chair.

23 BOARD CHAIRMAN HUFF: That's my perspective.

24 BOARD MEMBER RELIS: It was my understanding at
25 the last meeting that at this meeting with Cal EPA or that

1 you were going to attend --

2 BOARD CHAIRMAN HUFF: I intend to be involved.

3 BOARD MEMBER RELIS: Represent us there and
4 deliver the message from this Board.

5 And I guess my view would be I'd like to hear what
6 comes out of that and reserve the option to send the letter
7 after hearing back from you at our next meeting.

8 And if it seems appropriate at that time to go
9 ahead with the letter, fine.

10 If the issue looks like it's being addressed then
11 perhaps not.

12 BOARD VICE CHAIRMAN CHESBRO: I think if we're
13 going to have any impact we should seize the moment, myself.

14 BOARD CHAIRMAN HUFF: Carpe diem?

15 BOARD MEMBER EGIGIAN: Mr. Chairman, who is going
16 to hold the meeting on December the 2nd or something?

17 EXECUTIVE DIRECTOR CHANDLER: Dr. Richard Green,
18 science advisor to Cal EPA.

19 BOARD MEMBER EGIGIAN: Can we use that date as a
20 trigger date to go ahead with what this Board should do, is
21 send a letter?

22 BOARD CHAIRMAN HUFF: I'm not sure, Mr. Egigian,
23 that we should predetermine what the outcome of that event
24 will be.

25 BOARD MEMBER EGIGIAN: Knowing how government

1 moves and how things get lost, I think that we should put
2 this in some kind of a framework that doesn't let it get
3 lost or doesn't let it get put in the area where nothing is
4 said.

5 After all, this is the Waste Board and we're
6 representing waste people that are in this predicament at
7 the present time.

8 And I think that those people that might be asking
9 us to slow down should take this into consideration.

10 The people are losing large amounts of money and
11 they can't pay on the obligations. They bought many many
12 pieces of equipment to make this happen.

13 BOARD MEMBER RELIS: I would agree with Sam that
14 we need some trigger or some time frame that's specific.

15 BOARD CHAIRMAN HUFF: Well, we have a meeting
16 December 16th and this will be on the agenda. And I think
17 that's appropriate. 14th, I'm sorry. I think that's an
18 appropriate point.

19 It could be a consideration item at that meeting.

20 I just think that that meeting will have allowed
21 enough activity to transpire that we'll have a much better
22 feel including -- when is the PUC hearing?

23 MS. GILDART: The Energy Commission is meeting on
24 the 13th.

25 I believe there may be a PUC meeting on the 8th or

1 9th.

2 BOARD CHAIRMAN HUFF: Yeah. And I just think with
3 those pieces of information in hand that the December 14th
4 Board meeting would be much better time to make these
5 determinations.

6 BOARD MEMBER NEAL: The way the PUC is going to
7 meet prior to the Board meeting?

8 BOARD CHAIRMAN HUFF: They aren't going to make a
9 decision on this until next year.

10 BOARD MEMBER NEAL: I understand.

11 It just seems to me it's incumbent upon us in our
12 leadership position, it's something that strikes directly at
13 the heart of this Board and it seems to me incumbent upon us
14 in our leadership position to be out front right now in
15 terms of what our position is and the impact that it will
16 have on the success of AB 939.

17 BOARD VICE CHAIRMAN CHESBRO: After the dust --

18 BOARD CHAIRMAN HUFF: I understand, Ms. Neal,
19 Mr. Chesbro.

20 I happen to be of the belief that leadership can
21 be exercised behind the scenes and that there is a point
22 where leadership can be confused with grandstanding. And
23 I'm not quite ready for grandstanding.

24 BOARD MEMBER NEAL: Mr. Chairman.

25 BOARD VICE CHAIRMAN CHESBRO: We have experience

1 with Cal EPA to --

2 BOARD MEMBER HEIDIG: Mr. Chairman.

3 BOARD VICE CHAIRMAN CHESBRO: -- give us
4 confidence in their swiftness to respond to critical
5 problems, I would agree with you, but I haven't seen even
6 with very minor, small problems their availability to bring
7 everybody together in a timely fashion and pump out a
8 decisive direction.

9 In the absence of that I think we risk failure to
10 respond to a critical issue that I thought was articulated
11 quite well today that is going to impact our legislative
12 mandates, our very specific legal mandates.

13 BOARD MEMBER NEAL: In addition, if I might
14 comment about the behind the scenes.

15 I don't think that this Board is narrow and single
16 dimensional that we can only operate on one plane. I
17 believe that we can state our position publicly and out
18 front and forcefully and also operate behind the scenes.

19 And I would suggest in that way we would be a lot
20 more effective because we're operating on more than one
21 level.

22 BOARD CHAIRMAN HUFF: I think a coordinated, I
23 continue to think, response is most appropriate.

24 Mr. Heidig.

25 BOARD MEMBER HEIDIG: Mr. Chairman, I would

1 just -- I think it's very important for us, first, not to
2 undercut you when you go to this meeting December 2nd.

3 Second, to remember that our action step is not a
4 letter. It's a result.

5 And I think that it would be much more useful to
6 look at it in that context.

7 This is a very important and complicated issue.
8 Energy costs in California are expensive and they won't come
9 down.

10 And for us to -- we should try to queue up in
11 that, in terms of that context.

12 So I feel very comfortable with you going to the
13 meeting and representing us and I think that I look forward
14 to hearing from you, your report in which you effect at that
15 meeting.

16 BOARD CHAIRMAN HUFF: Thank you.

17 BOARD MEMBER NEAL: I guess I don't see it as
18 undercutting. I think I see getting out in front with a
19 different statement and strengthening your hand.

20 BOARD CHAIRMAN HUFF: I appreciate your concern
21 for the strength of my hands.

22 Any other discussion?

23 BOARD MEMBER NEAL: I think I'd like to make a
24 motion.

25 BOARD CHAIRMAN HUFF: Feel free.

1 BOARD MEMBER NEAL: Give me a second to form it
2 the way I want to.

3 BOARD CHAIRMAN HUFF: Okay.

4 BOARD MEMBER NEAL: Could we cue some appropriate
5 music for this?

6 BOARD MEMBER NEAL: I would like to move that this
7 Board not do a formal -- not take a public position prior to
8 the December meeting of the affected agencies.

9 BOARD CHAIRMAN HUFF: I understand your motion.

10 The motion is that this agency not take a formal
11 position prior to the December meeting.

12 BOARD MEMBER NEAL: Exactly.

13 BOARD CHAIRMAN HUFF: Okay.

14 BOARD MEMBER EGIGIAN: During what time period?

15 BOARD SECRETARY KELLY: Sam has a question.

16 BOARD CHAIRMAN HUFF: Mr. Egigian.

17 BOARD MEMBER EGIGIAN: Yes. I want to know if
18 there's a time period connected with this.

19 BOARD MEMBER NEAL: Well, it seems to me if the
20 Board does not have four votes to not take a formal position
21 then we are precluded from going forward without taking a
22 formal position.

23 BOARD CHAIRMAN HUFF: Say that again.

24 You're saying if your motion fails, okay, then we
25 are --

1 BOARD MEMBER NEAL: Are we precluded from not
2 taking a formal position?

3 BOARD CHAIRMAN HUFF: No. If your motion fails
4 your motion fails. That's all. There's no other
5 implication.

6 BOARD MEMBER NEAL: I'm trying to --

7 BOARD CHAIRMAN HUFF: Because no course of action
8 is either a sanction or ruled out by the failure of your
9 motion.

10 BOARD MEMBER NEAL: That's why I needed a little
11 more time to figure out how to frame it, but I don't have
12 enough time right now.

13 BOARD CHAIRMAN HUFF: Well, we have a motion.
14 We'll have a roll call.

15 BOARD SECRETARY KELLY: Board Member Chesbro.

16 BOARD VICE CHAIRMAN CHESBRO: No.

17 BOARD SECRETARY KELLY: Egigian.

18 BOARD MEMBER EGIGIAN: Abstain.

19 BOARD SECRETARY KELLY: Heidig.

20 BOARD MEMBER HEIDIG: No.

21 BOARD SECRETARY KELLY: Neal.

22 BOARD MEMBER NEAL: No.

23 BOARD SECRETARY KELLY: Relis.

24 BOARD MEMBER RELIS: No.

25 BOARD SECRETARY KELLY: Chairman Huff.

1 BOARD CHAIRMAN HUFF: Abstain.

2 Motion fails.

3 BOARD MEMBER EGIGIAN: Mr. Chairman.

4 BOARD CHAIRMAN HUFF: Yes, Mr. Egigian.

5 BOARD MEMBER EGIGIAN: It's that time of day that
6 we should adjourn for lunch.

7 BOARD VICE CHAIRMAN CHESBRO: Before we break I
8 would like to put a motion on the floor which would direct a
9 letter to the PUC and I will so move.

10 BOARD CHAIRMAN HUFF: All right. That's been
11 moved.

12 Roll call, please.

13 BOARD MEMBER EGIGIAN: The motion is what?

14 BOARD CHAIRMAN HUFF: To send a letter is what the
15 motion is.

16 BOARD SECRETARY KELLY: Board Member Chesbro.

17 BOARD VICE CHAIRMAN CHESBRO: Aye.

18 BOARD SECRETARY KELLY: Egigian.

19 BOARD MEMBER EGIGIAN: I will abstain because this
20 is too simple a motion without anything to clarify what
21 we're going to do.

22 BOARD VICE CHAIRMAN CHESBRO: I'll be happy to
23 have a discussion about what, you know, what's in the --

24 BOARD MEMBER HEIDIG: The discussion should happen
25 before the motion is made so we understand it.

1 I seem to believe that this thing is turning into
2 a political situation and I'm not going to get involved in
3 it.

4 If we can't do it purely on the basis of this
5 Board's opportunity --

6 BOARD VICE CHAIRMAN CHESBRO: You make the motion,
7 I'll vote for it.

8 BOARD CHAIRMAN HUFF: Well, we're in the middle of
9 a roll call right now.

10 BOARD VICE CHAIRMAN CHESBRO: You make a motion
11 I'll vote for it.

12 BOARD CHAIRMAN HUFF: We're in the middle of roll
13 call right now. Let's continue with the roll call.

14 BOARD MEMBER EGIGIAN: Give us the motion so we'll
15 know what it is.

16 BOARD MEMBER RELIS: Restate the motion.

17 BOARD CHAIRMAN HUFF: Continue.

18 BOARD SECRETARY KELLY: Board Member Heidig.

19 BOARD MEMBER HEIDIG: No.

20 BOARD SECRETARY KELLY: Neal.

21 BOARD MEMBER NEAL: Aye.

22 BOARD SECRETARY KELLY: Relis.

23 BOARD MEMBER RELIS: I'll say no and I will
24 reserve -- I'd be interested in revisiting that after we
25 hear Mr. Huff and then I'd be ready to consider a letter.

1 BOARD SECRETARY KELLY: Chairman Huff.

2 BOARD CHAIRMAN HUFF: No.

3 That motion fails.

4 BOARD VICE CHAIRMAN CHESBRO: Like I said, if
5 Mr. Egigian wants to make a letter that he considers
6 nonpolitical to direct a letter to the PUC I would be
7 pleased to support it.

8 BOARD CHAIRMAN HUFF: Yeah. Are there any other
9 motions on this item, before we move on?

10 And let me tell you what the Chair is prepared to
11 do.

12 We have four items left, all of which look to
13 me --

14 BOARD SECRETARY KELLY: Jess, before you leave
15 that, are you leaving that item?

16 BOARD CHAIRMAN HUFF: Yeah. Unless there's
17 another item.

18 BOARD MEMBER RELIS: Before we leave the item I
19 have -- I'd like to discuss a couple of points.

20 BOARD SECRETARY KELLY: I had a question on what
21 you requested from staff.

22 Did you request a letter or did you request a fact
23 sheet by the end of November?

24 BOARD CHAIRMAN HUFF: Fact sheet.

25 BOARD SECRETARY KELLY: Fact sheet. Okay.

1 MR. GORFAIN: An issue memo.

2 BOARD CHAIRMAN HUFF: Yes. Yes. Okay.

3 We're still on this item and we're about to move
4 on, but Paul still wants to hear something.

5 BOARD MEMBER RELIS: There were a couple of points
6 made that I want, like to get a clarification in testimony.

7 One was a suggestion we have, that this item
8 remained current with us and I think Mr. Egigian spoke to
9 that. He'll have it before his committee.

10 But I guess it would be a standing matter before
11 the Board and --

12 BOARD CHAIRMAN HUFF: I said it would be on the
13 December agenda.

14 BOARD MEMBER RELIS: And then we would have on
15 this wood waste report or on the, what is it called
16 specifically?

17 CHIEF DEPUTY DIRECTOR RICE: Nonyard.

18 BOARD CHAIRMAN HUFF: Nonyard wood waste.

19 BOARD MEMBER RELIS: Can we fulfill what was
20 suggested that we have that work completed in time to bear
21 on this issue?

22 EXECUTIVE DIRECTOR CHANDLER: I would certainly
23 think so.

24 Clearly we've got to get the numbers updated and I
25 think the report is required to be updated by March 31st.

1 BOARD MEMBER RELIS: Well, if that is the
2 understanding.

3 EXECUTIVE DIRECTOR CHANDLER: That would be
4 staff's schedule.

5 BOARD MEMBER RELIS: Fine. That's all.

6 BOARD CHAIRMAN HUFF: Yeah. I think this is an
7 item that could not be ignored in that report. It has to be
8 dealt with somewhat. Okay.

9 Now, I recognize the hour.

10 I also recognize that we have four items left and
11 I'm about to make it three with Mr. Heidig's concurrence.

12 And that they're rather quick.

13 So my intention would be, unless someone really
14 argues to the contrary, that we are 10, 15 minutes from
15 being done, max, and we might as well finish rather than go
16 to lunch and come back for 15 minutes.

17 Any argument to the contrary?

18 Now, Mr. Heidig, you pulled No. 37.

19 BOARD MEMBER NEAL: Are we still on the other item
20 or are we going to come back to it?

21 BOARD CHAIRMAN HUFF: Well, do you have another
22 motion to make?

23 BOARD MEMBER NEAL: No. But I thought that
24 Mr. Relis had a question or some comment and that you just
25 made the statement that we were still on the item, so I want

1 to be sure I'm clear on what's going on.

2 BOARD CHAIRMAN HUFF: Well, Mr. Relis's comment
3 was with regard to the backyard report, which he got
4 clarification from staff on.

5 And the continuing to put this item on both the
6 Policy Committee and the Board agenda, which he also got
7 clarification on.

8 BOARD MEMBER RELIS: Yes. That was done.

9 BOARD CHAIRMAN HUFF: That was it. Okay.

10 Unless there's another motion to be made by
11 anybody I think it's time to move on.

12 BOARD MEMBER EGIGIAN: Mr. Chairman, I'll make a
13 motion.

14 BOARD CHAIRMAN HUFF: All right.

15 BOARD MEMBER EGIGIAN: I'll make a motion that we
16 prepare this letter, ready to send out when it's prudent to
17 do so, and I will be the only one that judges when it's
18 prudent to go out.

19 BOARD VICE CHAIRMAN CHESBRO: That's not the way.

20 BOARD CHAIRMAN HUFF: Very good. Very well done.

21 Mr. Heidig, you pulled Item 37 from the consent
22 calendar.

23 It has come to my attention that was an item that
24 came through Permit Committee.

25 And it's come to my attention that people in the

1 regulated community who believe that there are some
2 improvements that could be made to that report.

3 I believe that they have had some conversations
4 with our staff and I'm prepared to send that item, recycle
5 it to the next Board meeting if that's agreeable to
6 everybody and if staff thinks that that's a time frame that
7 they can work with.

8 MR. OKUMURA: Yes.

9 BOARD CHAIRMAN HUFF: Okay. Such will be the
10 order.

11 So that takes Item 37 off the list.

12 We now have Item 36, 38 and 40.

13 36.

14 EXECUTIVE DIRECTOR CHANDLER: Thank you,
15 Mr. Chairman. I'll be presenting this item and I will be
16 brief.

17 All of you or your staff have been briefed.

18 This item is consideration for approval of a
19 supplemental report to the Legislature regarding revenues
20 and expenditures projections through the year 2000.

21 The title of the report, Integrated Waste
22 Management Account Revenue Projections and Funding
23 Alternatives, has been prepared. The report was called for
24 by the Legislature in the 1994 Budget Act.

25 Specifically the supplemental report asks for, and

1 I'm quoting, a report which projects, A, revenues generated
2 to the Integrated Waste Management Account for fiscal years
3 1995-96 through the year 2000-01. And, B, expenditure from
4 this account for that same period shall be based on
5 projections in the state economic activity, the volume of
6 solid waste projected to be disposed, and the level of
7 tipping fees imposed.

8 The report includes a revenue projection and
9 expenditure projection and a description funding
10 alternatives.

11 Three revenue projection scenarios, high, median
12 and low, were developed based on assumptions regarding
13 economic activity, attainment of the Integrated Waste
14 Management goals, the out-of-state disposal of waste, and
15 the rate of inflation based on the Department of Finance and
16 UCLA figures.

17 Depending on the assumptions used the revenue to
18 the IWMA could decline by between 20 and 40 percent by
19 fiscal year 2000 and 2001.

20 Fiscal year 1994-95 expenditures and transfers are
21 cited as the current needs of a, quote, "mature organization
22 whose mission has expanded under AB 939."

23 That expenditure and transfer, for your
24 information, is \$50 million.

25 No less of potential program reductions are given,

1 but the report states that, quote, "it may be necessary to
2 further examine the effectiveness and relevancy of programs
3 in regards to the Board's future roles and
4 responsibilities."

5 The funding alternatives section briefly analyzes
6 the characteristics of four funding mechanisms while citing
7 no preferred option.

8 The funding options include, first, disposal fees,
9 which is a monetary surcharge on waste disposed.

10 Second, a product or packaging fee which includes
11 several variations including deposits and advance disposal
12 fees.

13 Three, gross receipt fee, which is an assessment
14 on retailers, distributors and manufacturers levied on sale
15 or revenues from products sold in California.

16 And, fourth, permit fees which could be or would
17 be paid by permit applicants such as facility operators.

18 Funding options were evaluated using the follow
19 criteria.

20 First, who is impacted?

21 What is the impact?

22 Is the impact equitably distributed between an
23 industry and between competing industries?

24 What are the administrative resources required to
25 implement the funding option?

1 Is the funding option administratively complex?

2 And is the funding option enforceable?

3 Finally the report's conclusion are that the IWMA
4 account funds are forecasted to decrease by 35 percent and
5 consideration will be needed to be given to the methods to
6 bridge the gap.

7 And while internal reallocation of resources is
8 one method to compensate for projected shortfalls, it is
9 unlikely that this would be sufficient to compensate for a
10 35 percent reduction in funds.

11 Mr. Chairman and members, that concludes my
12 report.

13 I think again it needs specifically the request
14 for the revenue and expenditure projections and has laid out
15 the scenarios in which we came to those conclusions.

16 BOARD CHAIRMAN HUFF: Mr. Chesbro.

17 BOARD VICE CHAIRMAN CHESBRO: I have a question.

18 Looking at the tables on pages -- the report pages
19 seven and eight, not the agenda pages. There's a difference
20 between the projected reduction as result of meeting the
21 diversion goals. The numbers are not identical.

22 For example you look at the year 2000 there's a
23 number 25,873. That's obviously times -- that's more than
24 25,000. But anyway, 25,057, 24,266, if you look at each one
25 they're slightly different and I'm just curious what the

1 differences are.

2 BOARD CHAIRMAN HUFF: Let me try. Okay. In order
3 to keep this brief.

4 Each of those three numbers is attached to a
5 different economic scenario.

6 BOARD VICE CHAIRMAN CHESBRO: Okay.

7 BOARD CHAIRMAN HUFF: If you recall the law says
8 that we adjust the diversion based on generation, which
9 means economic as well as population. So that's why the
10 numbers --

11 BOARD VICE CHAIRMAN CHESBRO: There's changes in
12 the other factors and that affects the percentage?

13 BOARD CHAIRMAN HUFF: That's right.

14 BOARD VICE CHAIRMAN CHESBRO: The amount of waste
15 disposed and therefore the percentage of the waste.

16 BOARD CHAIRMAN HUFF: That's right.

17 BOARD VICE CHAIRMAN CHESBRO: Thank you. That
18 answers that.

19 BOARD CHAIRMAN HUFF: Any other questions? Okay.
20 Then the report is before us.

21 And the proper motion is to accept the report and
22 refer it, send it on. Approve the report and send it on.

23 Is there a motion?

24 Come on, guys, it's getting late.

25 BOARD VICE CHAIRMAN CHESBRO: You can make it.

1 BOARD MEMBER EGIGIAN: I'll move it.

2 BOARD CHAIRMAN HUFF: Yes; I could.

3 Mr. Egigian did.

4 Without objection?

5 BOARD MEMBER HEIDIG: I --

6 BOARD CHAIRMAN HUFF: You will object.

7 Roll call.

8 Just testing.

9 BOARD SECRETARY KELLY: Board Member Chesbro.

10 BOARD VICE CHAIRMAN CHESBRO: Aye.

11 BOARD SECRETARY KELLY: Egigian.

12 BOARD MEMBER EGIGIAN: Aye.

13 BOARD SECRETARY KELLY: Heidig.

14 BOARD MEMBER HEIDIG: No.

15 BOARD SECRETARY KELLY: Neal.

16 BOARD MEMBER NEAL: Aye.

17 BOARD SECRETARY KELLY: Relis.

18 BOARD MEMBER RELIS: Aye.

19 BOARD SECRETARY KELLY: Chairman Huff.

20 BOARD CHAIRMAN HUFF: Aye.

21 Motion carries 5-1.

22 That takes care of Item 36.

23 We have Item 38.

24 This would have been on consent.

25 BOARD VICE CHAIRMAN CHESBRO: Except for a change.

1 BOARD CHAIRMAN HUFF: Were it not for the fact
2 that in committee a small change was made on one of the
3 pages of the item of this item.

4 MR. GORFAIN: Page 337 of your packet.

5 If you look at the shaded area at the very top of
6 the page the change was made to essentially clarify that
7 consideration of applications will be -- that applications
8 will be -- will consider how effectively they address
9 populations most in need of the collection services.

10 BOARD VICE CHAIRMAN CHESBRO: At the committee
11 this was incorporated unanimously in response to concerns
12 and I think it was unanimous.

13 BOARD CHAIRMAN HUFF: I think it was.

14 BOARD VICE CHAIRMAN CHESBRO: In response to
15 concerns Ms. Neal raised about some of the ways that some
16 funds have been used around the state not being effectively
17 targeted.

18 And so I would, as committee chair, would
19 recommend -- in fact I'll move that we go ahead and approve
20 this with the change.

21 BOARD CHAIRMAN HUFF: Any other discussion,
22 question?

23 Roll call.

24 BOARD SECRETARY KELLY: Board Member Chesbro.

25 BOARD VICE CHAIRMAN CHESBRO: Aye.

1 BOARD SECRETARY KELLY: Egigian.

2 BOARD MEMBER EGIGIAN: Aye.

3 BOARD SECRETARY KELLY: Heidig.

4 BOARD MEMBER HEIDIG: Aye.

5 BOARD SECRETARY KELLY: Neal.

6 BOARD MEMBER NEAL: Aye.

7 BOARD SECRETARY KELLY: Relis.

8 BOARD MEMBER RELIS: Aye.

9 BOARD SECRETARY KELLY: Chairman Huff.

10 BOARD CHAIRMAN HUFF: Aye.

11 Motion carries 6-0.

12 I called the roll because I have the prior roll.

13 It was 5-1.

14 Item 40.

15 MR. GORFAIN: Item 40 is the consideration of
16 allocations of '94-95 tire grant funds.

17 And to be brief we are talking about approximately
18 \$1.36 million in monies available to grants of which staff
19 is recommending that 657,000 be allocated to local
20 government, local government assistance for a local
21 government assistance.

22 And that is arrived at by taking if you look again
23 an page 351 by taking item -- one second. Taking Item 3 --
24 I apologize for -- let me just revise it a little.

25 What we're talking about is allocating 300,000

1 from the local government programs to local government
2 grants and also taking from state operations local
3 government programs allocations in the amount of 357,000 and
4 using both of those amounts together to allocate 657,000 of
5 the approximately \$1.3 million to local government for
6 grants.

7 What we want to emphasize for the Board is that we
8 have -- we expect to have approximately \$4.1 million in the
9 tire fund all together that we are mandated to expend
10 certain funds in certain ways that leaves us the \$1.3
11 million.

12 This and the grant monies available constitute a
13 very small amount of money relative to the extent of the
14 tire program -- problem we have here in California.

15 Therefore, what we are proposing to do is to
16 really create as many opportunities to start and to
17 implement programs that will help in a long run solve the
18 tire problem all around the state.

19 And, sorry, I got off on the wrong track and I'm
20 having trouble getting back on it.

21 I also want to point out that at the Policy
22 Committee there was discussion of the criteria and the
23 weightings of the various criteria that will be applied to
24 the tire grants in this coming year.

25 Per committee direction, staff has revised the

1 scoring for the various criteria.

2 And the one, the first criterion which is the
3 quantity of used tires that may be diverted from landfills
4 in California we have added ten points to each of the
5 categories of grants, one to business development, one to
6 research and one to local government.

7 Staff recommendation is that the Board approve the
8 Resolution 94-403 in your packet, which includes the
9 approval of the allocations as proposed, direction to staff
10 to issue grant solicitation notices, and direction to staff
11 to establish the application review committee in process for
12 the coming year.

13 Are there any questions?

14 BOARD MEMBER NEAL: I'm just a little bit confused
15 when I look at the agenda item and I look at the resolution
16 and I hear you saying that the item is just about the 600
17 and whatever odd thousand dollars local government grant.
18 But the resolution includes this full definition of the
19 appropriation.

20 MR. GORFAIN: Let me clarify. You're correct.

21 What we are asking the Board is to approve the
22 full allocation of the monies, of the \$4.1 million, as
23 outlined in your agenda item and in the resolution. Period.
24 As far as the allocations are concerned.

25 BOARD MEMBER NEAL: I see.

1 MR. GORFAIN: Are you still not clear?

2 BOARD MEMBER NEAL: No. I wanted to make sure I
3 was real clear on that, because I support the local
4 government one. I have couple items in the allocation I
5 would probably want to pull out.

6 CHIEF DEPUTY DIRECTOR RICE: I'm sure Martha will
7 clarify, but many of these pieces have been before you
8 before as representation of the tire budget.

9 BOARD MEMBER NEAL: That was my understanding, but
10 have we voted on this before?

11 CHIEF DEPUTY DIRECTOR RICE: Yes.

12 BOARD MEMBER NEAL: That's what I thought. So why
13 are we doing it again?

14 MS. GILDART: Indirectly what was voted on was the
15 allocation of money to contracts.

16 What we're doing this time is affirming that the
17 monies left over will be available for grants.

18 In the past what has happened is we would come to
19 the Board and do all the tire fund in one action, how those
20 monies were allocated.

21 Because of the process developed for the contracts
22 those went forward first.

23 We are merely trying to get a resolution today
24 that can be used by our budget people to layout to the
25 Department of Finance --

1 BOARD MEMBER NEAL: In that case what I would like
2 to, I don't know if this is appropriate time to do it, but I
3 would like to pull at least two of the activities that are
4 being appropriated out and vote on them separately.

5 BOARD VICE CHAIRMAN CHESBRO: Separate the
6 question.

7 BOARD CHAIRMAN HUFF: Let me say, we could achieve
8 the goal that staff needs by not addressing the 4.1 at all
9 and we aren't voting on the whole 4.1.

10 BOARD MEMBER NEAL: Are we or aren't we?

11 BOARD CHAIRMAN HUFF: We are not.

12 MS. GILDART: The vote is to make available the
13 \$357,000 that remains unspent in the contract line item to
14 make that available to the grant program specifically.

15 That's the only amount --

16 BOARD MEMBER NEAL: My question that I just asked
17 then was why is this entire thing in there and then I was
18 told that we're voting on the whole thing.

19 BOARD CHAIRMAN HUFF: The entire thing is in
20 there --

21 BOARD MEMBER NEAL: Who wants to be the
22 definitive --

23 BOARD CHAIRMAN HUFF: I do.

24 BOARD MEMBER NEAL: Ralph, you're the executive
25 director, what are we voting on?

1 EXECUTIVE DIRECTOR CHANDLER: I'll defer to the
2 Chairman, but I will also say prior to doing that is we felt
3 it was appropriate to show all of the categories that are
4 allocated against the tire fund, some of which were
5 previously acted upon per contracts and of which we now have
6 before you today, which is the grants.

7 BOARD MEMBER NEAL: Why is it included in the
8 resolution for us to vote on?

9 MS. GILDART: We did attempt to highlight the
10 change.

11 In the body of the package it specifies consulting
12 and professional services, \$357,000.

13 In the resolution that is changed to the local
14 government program.

15 That is what was necessary so that we could
16 allocate those funds to support the grant program.

17 BOARD MEMBER NEAL: So would it be appropriate in
18 the whereas to eliminate all of this other appropriation
19 language and only include that local government grant?

20 BOARD VICE CHAIRMAN CHESBRO: Refer to the
21 modification of previously adopted --

22 MS. GILDART: We could do that.

23 BOARD CHAIRMAN HUFF: That's what we should do.

24 BOARD MEMBER HEIDIG: Mr. Chairman, has this --
25 did this go to Policy Committee or not?

1 MS. GILDART: Yes.

2 BOARD MEMBER HEIDIG: What was the vote?

3 BOARD MEMBER RELIS: 3-0.

4 MS. GILDART: 3-0.

5 BOARD MEMBER RELIS: What we had -- what we were
6 focused on was the criteria and the amount of money that
7 would be used in support of those grants. We didn't have
8 this broader discussion.

9 MS. GILDART: There wasn't a resolution in the
10 agenda item that went to the committee. We did --

11 BOARD CHAIRMAN HUFF: That's the problem.

12 MS. GILDART: -- discuss the amount of money,
13 though.

14 BOARD CHAIRMAN HUFF: Yeah. No. We discussed
15 taking \$350,000 and instead of blowing that money on
16 miscellaneous contracts for state operations we were going
17 to dump it into local governments. We would make local
18 governments happy. We would address a need. And I don't
19 think that there's any --

20 BOARD MEMBER NEAL: That has unanimous --

21 BOARD CHAIRMAN HUFF: -- argument about that.
22 We didn't have a resolution in our package in
23 committee.

24 The issue that some Board members are finding is
25 that some of these allocations that are mentioned in the

1 resolution have previously been determined by this Board and
2 determined on split votes.

3 I think what the committee, the Board members want
4 to do is to be able to cast an affirmative vote on the
5 357,000 without having to go back on their prior vote.

6 BOARD MEMBER NEAL: Exactly what I was saying.

7 BOARD CHAIRMAN HUFF: That result can be had and
8 time saved if we just simply in the motion adopting the
9 resolution direct staff to rewrite the final now therefore
10 it be resolved so as that the final therefore it be resolved
11 refers only to the \$357,023.

12 BOARD MEMBER HEIDIG: So you're suggesting to
13 sever the motion?

14 BOARD MEMBER NEAL: No.

15 BOARD CHAIRMAN HUFF: No. We don't even need to
16 have a second vote. We have already decided the rest of it.

17 BOARD MEMBER NEAL: The motion would be to approve
18 this item with the amendment as Mr. Huff has just described.

19 BOARD MEMBER RELIS: It hasn't been moved, I'll
20 move it.

21 BOARD MEMBER EGIGIAN: Clarification, please.

22 BOARD CHAIRMAN HUFF: Yes.

23 BOARD MEMBER EGIGIAN: I read here Item No. 2 on
24 page 349, previous committee action, Policy, Research and
25 Technical Assistance Committee did not meet prior to the

1 submittal of this agenda item.

2 Somebody tell me --

3 MS. GILDART: We couldn't incorporate any changes
4 that came from the committee direction because we had to
5 submit the material to the packet for printing before that
6 date.

7 BOARD MEMBER EGIGIAN: You took it for granted
8 that the committee would go along with what you wanted?

9 BOARD MEMBER RELIS: That's what happened a lot
10 with the process we have. They can't get the report out.

11 CHIEF DEPUTY DIRECTOR RICE: In order to meet the
12 print deadline we needed to put the material in the binder,
13 not presuming what your committee might do with it. It
14 would have been pulled had there been a negative outcome or
15 whatever.

16 BOARD CHAIRMAN HUFF: Okay. Any other questions?

17 And again to be clear, we've made decisions on all
18 of the rest of the money with regard to state operations.
19 We've made a decision on personnel services operating
20 expense, contract concepts.

21 And what we have here is unallocated consultant
22 and professional services funds.

23 And we're now making a decision on what to do with
24 those unallocated consultant and professional services
25 funds.

1 We can do so by blessing the entire allocation
2 once again or we can do so by just focusing on those
3 unallocated funds.

4 My suggestion is that the motion direct staff to
5 rewrite the resolution so that it focuses just on the
6 unallocated funds. It will do so in a way is what the
7 Policy Committee decision was to do, so nothing is changed
8 with regard to what the Policy Committee did. It's just we
9 are not going to vote on what we've already decided.

10 BOARD MEMBER RELIS: That was my motion.

11 BOARD CHAIRMAN HUFF: That is Mr. Relis's motion.

12 BOARD MEMBER NEAL: As we all understood it.

13 BOARD CHAIRMAN HUFF: Call the roll, please.

14 BOARD SECRETARY KELLY: Board Member Chesbro.

15 BOARD VICE CHAIRMAN CHESBRO: Aye.

16 BOARD SECRETARY KELLY: Egigian:

17 BOARD MEMBER EGIGIAN: Aye.

18 BOARD SECRETARY KELLY: Heidig.

19 BOARD MEMBER HEIDIG: Aye.

20 BOARD SECRETARY KELLY: Neal.

21 BOARD MEMBER NEAL: Aye.

22 BOARD SECRETARY KELLY: Relis.

23 BOARD MEMBER RELIS: Aye.

24 BOARD SECRETARY KELLY: Chairman Huff.

25 BOARD CHAIRMAN HUFF: Aye.

1 Motion carries 6-0.

2 BOARD VICE CHAIRMAN CHESBRO: Thank you,
3 Mr. Chairman.

4 BOARD CHAIRMAN HUFF: Is there any further
5 discussion, business to be conducted by this Board today?

6 EXECUTIVE DIRECTOR CHANDLER: Mr. Chairman, just
7 to remind you, you do have a closed session.

8 BOARD CHAIRMAN HUFF: Say what?

9 BOARD MEMBER NEAL: After lunch.

10 EXECUTIVE DIRECTOR CHANDLER: You do have closed
11 session.

12 BOARD CHAIRMAN HUFF: We do have closed session
13 and that will occur after lunch.

14 And closed session is going to occur because,
15 Counsel? Why are we having closed session? To consider --

16 EXECUTIVE DIRECTOR CHANDLER: To consider
17 personnel --

18 MS. TOBIAS: Personnel and litigation.

19 BOARD CHAIRMAN HUFF: That's the standard
20 boilerplate for having executive session, but you have to
21 state that; don't you?

22 MS. TOBIAS: Yes.

23 BOARD CHAIRMAN HUFF: Yes; you do have to state
24 that.

25 And now it's in the record.

1 BOARD MEMBER EGIGIAN: What time will that start?

2 BOARD CHAIRMAN HUFF: That will start, it is now

3 quarter of 1:00, that will start at 2:00.

4 BOARD MEMBER NEAL: Where?

5 BOARD CHAIRMAN HUFF: In the chambers.

6 (Thereupon the hearing was adjourned at

7 12:50 p.m.)

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 CERTIFICATE OF SHORTHAND REPORTER
2

3 I, JANET H. NICOL, a Certified Shorthand Reporter
4 of the State of California, do hereby certify that I am a
5 disinterested person herein; that I reported the foregoing
6 meeting in shorthand writing; that I thereafter caused my
7 shorthand writing to be transcribed into typewriting.

8 I further certify that I am not of counsel or
9 attorney for any of the parties to said meeting, or in any
10 way interested in the outcome of said meeting.

11 IN WITNESS WHEREOF, I have hereunto set my hand
12 this 4th day of December 1994.
13
14

15 
16

17 Janet H. Nicol
18 Certified Shorthand Reporter
19 License Number 9764
20
21
22
23
24
25